Trade and Industry

INCORPORATING THE BOARD OF TRADE JOURNAL

Volume 3, No. 7 Published by Her Majesty's Stationery Office 19 May 1971

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Trade and Industry

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VOLUME 3. NO. 7. PAGES 341-400. MAY 19, 1971
PRICE 10p. NET SUBSCRIPTION INCLUDING POSTAGE £7.60
Editorial Address: **Room 437, Department of Trade and Industry, 1 Victoria Street, London, SW1 OET 01-222 7877.**

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Front cover photograph

Many overseas buyers have been visiting the Textile Council's latest exhibition 'Gentleman's Relish', currently being held at the Textile Centre, Great Marlborough Street, London, until May 28. The exhibition presents a special collection of garments, all made in British fabrics, designed by leading names in British menswear – such as Mr. Fish, Tom Gilbey and Cecil Gee – and includes a display of nearly 200 fabrics in cotton, silk and man-made fibres.

The picture shows two of the outfits specially designed for the exhibition by Tom Gilbey of London. On the left a Tricel jersey leisure suit, and on the right a belted maxi coat worn over cotton velvet trousers and printed silk shirt.

Index to Statistics published regularly in TRADE and INDUSTRY incorporating the Board of Trade Journal

A = annually; M = monthly; Q = quarterly; 6-M = every six months

All dates before October 21, 1970, refer to articles in the *Board of Trade Journal*

Title	*Last Published*
Air transport:	
Aircraft noise at Heathrow and Gatwick airports (Q)	28 April 1971
Air miss reports (A)	1 April 1970
Mileage and traffic (A)	29 April 1970
Trade by air (6-M)	24 Mar. 1971
Balance of payments:	
Civil aviation (Q)	28 Oct. 1970
Trends in invisible transactions (Q)	10 Mar. 1971
UK balance of payments (Q)	10 Mar. 1971
Bankruptcy orders (Q)	5 May 1971
Business names registered (A)	27 Jan. 1971
Capital expenditure:	
Distributive and service trades (A)	28 April 1971
Industry's capital expenditure (Q)	21 April 1971
Catering trades turnover (M)	This week
Chemicals industry (Q)	17 Feb. 1971
Companies:	
Acquisitions and mergers (Q)	This week
New companies registered:	
Gt. Britain (M)	21 April 1971
N. Ireland (M)	28 April 1971
Computers:	
UK computer market (Q)	13 Jan. 1971
Construction work overseas (A)	14 Oct. 1970
Credit:	
Instalment credit business (M)	12 May 1971
International trade credit (A)	14 April 1971
ECGD business (Q)	3 Mar. 1971
Electronics capital equipment deliveries, research and development (Q)	27 Jan. 1971
Engineering and electrical goods:	
Deliveries and orders (M)	28 April 1971
Film industry:	
British Film Fund Agency returns (M)	12 May 1971
Cinema admissions and takings (M	This week
Overseas payments and earnings (A)	23 July 1970
Registration of films (A)	24 Feb. 1971
Trends in film going (A)	22 July 1970
Food:	
Consumption levels (A)	24 Feb. 1971
Household consumption (Q)	10 Mar. 1971
Footwear industry orders and deliveries (M)	14 April 1971
Foreign trade:	
EFTA trade (Q)	17 Mar. 1971
Industrial countries trade and production (Q)	12 May 1971
World exports of manufactures (A)	30 Sept. 1970
Foreign trade of the UK:	
Direct exports (A)	15 April 1970
Unit value and volume index nos. (M)	14 April 1971
Value of overseas trade (M)	This week
Value of overseas trade: analysis of trends (Q)	12 May 1971
Gold and convertible currency reserves (M)	12 May 1971
Hairdressing trades turnover (M)	This week
Hire purchase:	
Assets and liabilities of finance houses (Q)	18 Nov. 1970
Business (M)	12 May 1971
Industrial building (Q)	28 April 1971
Industrial development certificates refused(A)	22 July 1970
Industrial production:	
Index nos. (M)	12 May 1971
N. Ireland index (M)	5 May 1971
Wales index (Q)	31 Mar. 1971
Insurance companies assets (A)	19 Aug. 1970
Investment:	
Book values of overseas direct investments (every 3 years)	23 Sept. 1970
Industry's investment intentions (3 times a year)	20 Jan. 1971
Investment and earnings overseas (A)	7 April 1971
Laundries and dry cleaners turnover (M)	This week
Machine tools deliveries and orders (Q)	24 Feb. 1971
Man-made fibres:	
Analysis of production (A)	17 Feb. 1971
Analysis of production (Q)	17 Feb. 1971
Deliveries (Q)	17 Feb. 1971
Production (M)	28 April 1971
Volume of production (M)	28 April 1971
Motor industry:	
Car and commercial vehicle production (M)	12 May 1971
Motor trades turnover (M)	This week
Office development permits (Q)	10 Mar. 1971
Partnerships registered (A)	8 April 1970
Pension funds: assets (A)	19 Aug. 1970
Retail prices index (M)	28 April 1971
Retail trades:	
Index nos. (M)	12 May 1971
N. Ireland index (M)	24 Mar. 1971
Royalty transactions (A)	31 Mar. 1971
Shipping:	
Movement at UK ports (M)	7 April 1971
Nationality of vessels in UK sea-borne trade (A)	10 Feb. 1971
Steel consumption (Q)	This week
Stocks:	
Distributive and service trades (A)	28 April 1971
Industry's stocks (Q)	21 April 1971
Retail (M)	This week
Television:	
Overseas payments and earnings (A)	27 July 1970
Textiles:	
Clothing and textile orders and deliveries (M)	31 Mar. 1971
Cotton production (M)	This week
Hosiery production (M)	24 Feb. 1971
Wholesale houses sales (M)	This week
Wool exports (Q)	25 Nov. 1970
Wool output (M)	This week
Tourism:	
International tourism (A)	23 Sept. 1970
UK tourist traffic (M)	12 May 1971
Wholesale prices:	
Average prices of selected commodities (A)	24 Feb. 1971
Index nos. (M)	This week

Department of Trade and Industry Organizations, etc.

Subjects	*Last Published*
Business Monitor titles	31 Mar. 1971
DTI addresses (former BOT offices)	3 Mar. 1971
DTI Regional Directors	3 Mar. 1971
British Commercial representatives overseas	7 April 1971
Customs notices of interest to exporters	This week
Directory of DTI (formerly BOT) departments and their work	8 April 1970
ECGD local offices	14 April 1971
Index – Oct.-Dec. 1970	17 Feb. 1971
Official receivers offices	20 May 1970
Programme of trade promotions	3 Mar. 1971
Release dates of economic statistics	28 April 1971

SUBSCRIPTIONS

ADVERTISEMENTS

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TRADE and INDUSTRY (*Incorporating the Board of Trade Journal*) is published weekly by Her Majesty's Stationery Office, price 40p annual subscription. £7.60 (including inland or surface but not air postage) and is obtainable directly from the following addresses: 49 High Holborn, London, W.C.1; 13A Castle Street, Edinburgh, 2; Brazennose St., Manchester; 258 Broad Street, Birmingham, 2; 109 St. Mary Street, Cardiff; 50 Fairfax Street, Bristol, 1; 7-11 Linenhall Street, Belfast, 1, or through any bookseller.

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Subscriptions and sales inquiries should be addressed to the publishers at any of the above addresses.

Editorial Communications should be addressed to the Editor, *TRADE and INDUSTRY* (*incorporating the Board of Trade Journal*), Room 437, Department of Trade and Industry, 1 Victoria Street, London, SW1H 0ET (Tel. 01-222 7877, Ext. 2654.)

The views expressed in contributions emanating from other than official sources are not necessarily those of Her Majesty's Government.

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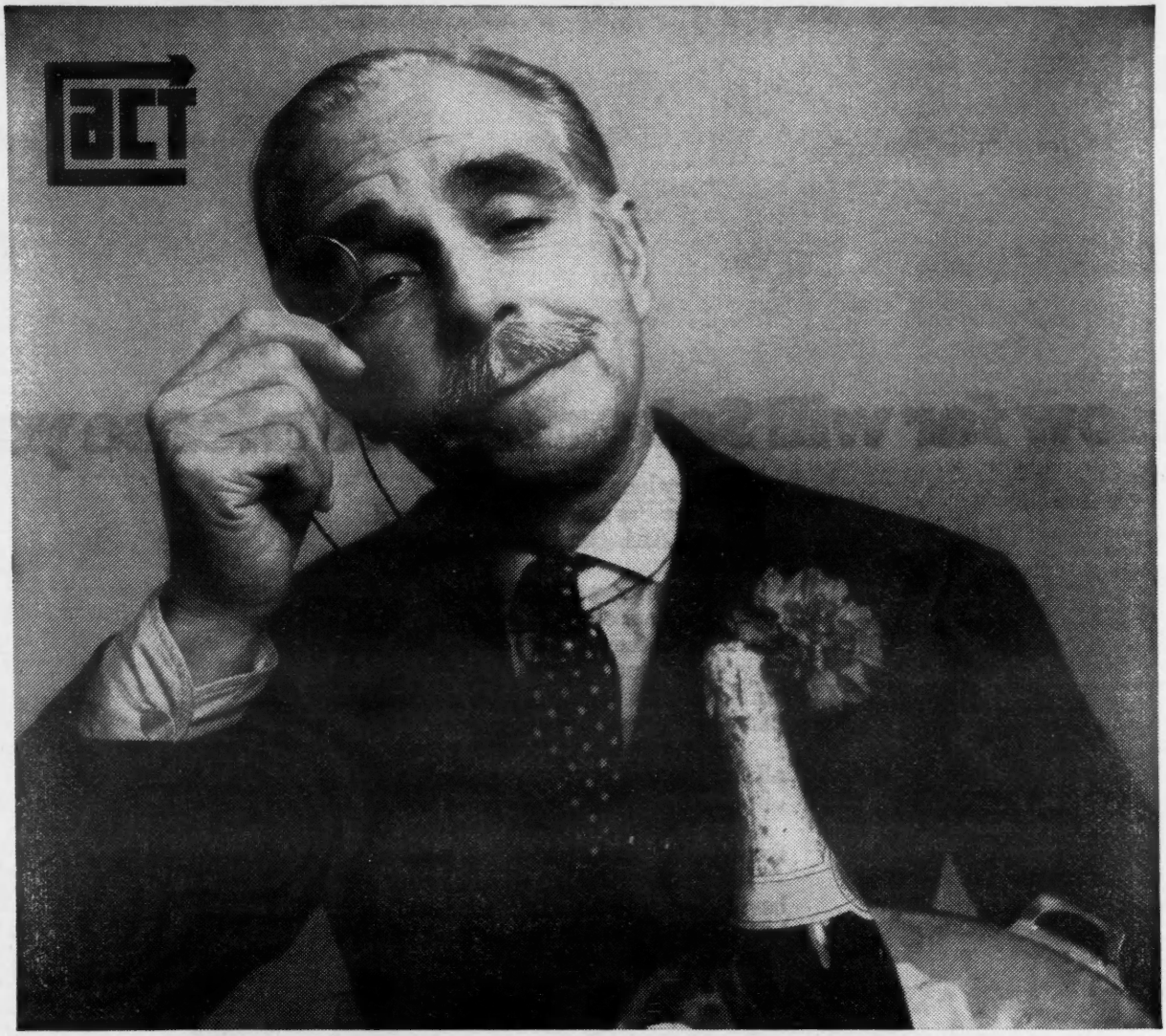

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BRITAIN AND THE EEC—2

The Treaty of Rome: an outline of its principal provisions

The Treaty of Rome of March 25, 1957, which instituted the European Economic Community is a lengthy and complete document consisting of 248 Articles, 4 Annexes and numerous protocols, Conventions and Declarations. Its length and complexity can be daunting for the lay reader who needs to come to a better understanding of the document which sets out the 'club rules' of the European Economic Community. An official English translation is currently available from HMSO (price 82½p). An authentic text, agreed with EEC is in the course of preparation. The purpose of this article is to set out some of the main provisions of the Treaty, and to give an indication of their whereabouts in the text, in the hope that this may be of some assistance to the business reader.

AS READERS OF THE first article in this series will recall, the Treaty concerns itself primarily with broad objectives and intentions. The methods of implementation were left to later decisions; inevitably, progress in some fields has been more rapid than in others. The detailed policies and the legal instruments to give effect to them – the secondary legislation of the Community – will be the subject of a separate article.

The objectives of the Treaty: Articles 1-3

Articles 1-3 of the Treaty, which we reproduce opposite, provide a clear and concise description of what France, Germany, Italy, and the three Benelux countries aimed to achieve when they established the Community.

The customs union: Articles 9-37

The first achievement and the cornerstone of the Community is the 'common market' or 'customs union' in which there are no tariffs or quantitative restrictions on trade between the Members and a common tariff on imports from outside. This basic prerequisite to the establishment of the Community is set out in Articles 9-37 of the Treaty, and establishes the means and time tables by which it was to be established. Since the process was substantially completed in 1968 much of this part of the Treaty is now of historical interest only to the business reader.

Agriculture: Articles 38-47

The next 10 Articles of the Treaty deal with agriculture. They provide for a common agricultural policy based on three main principles:

(i) free trade in farm products between the Member States with common price levels;

(ii) the joint financing by the Community of the costs of market support for farm produce and the subsidizing of exports to non-member countries, and the cost of modernizing agricultural economy;

(iii) a common policy for trade in agricultural products with third countries.

Another aim of the policy is to raise the level of farm efficiency throughout the Community particularly in the less favoured areas, the cost to be financed from Community funds. This is being done with a view to adapting agriculture to modern economic conditions and support the living standards of the farming population. The objectives are straightforward. However, there has to be a system of rules and regulations to bring them about. The larger part of the Community's regulations and other secondary legislation is about agricultural produce and prices.

The free movement of people, capital and services: Articles 48-73

This is one of the sections of the Treaty of Rome which shows

(*Continued on next page*)

ARTICLE 1

By the present Treaty the HIGH CONTRACTING PARTIES establish among themselves a EUROPEAN ECONOMIC COMMUNITY.

ARTICLE 2

It shall be the aim of the Community, by establishing a Common Market and progressively approximating the economic policies of Member States, to promote throughout the Community a harmonious development of economic activities, a continuous and balanced expansion, an increased stability, an accelerated raising of the standard of living and closer relations between its Member States.

ARTICLE 3

For the purposes set out in the preceding Article, the activities of the Community shall include, under the conditions and with the timing provided for in this Treaty:

(a) the elimination, as between Member States, of customs duties and of quantitative restrictions in regard to the importation and exportation of goods, as well as of all other measures with equivalent effect;

(b) the establishment of a common customs tariff and a common commercial policy towards third countries;

(c) the abolition, as between Member States, of the obstacles to the free movement of persons, services and capital;

(d) the inauguration of a common agricultural policy;

(e) the inauguration of a common transport policy;

(f) the establishment of a system ensuring that competition shall not be distorted in the Common Market;

(g) the application of procedures which shall make it possible to co-ordinate the economic policies of Member States, and to remedy disequilibria in their balances of payments;

(h) the approximation of their respective municipal law to the extent necessary for the functioning of the Common Market;

(i) the creation of a European Social Fund in order to improve the possibilities of employment for workers and to contribute to the raising of their standard of living;

(j) the establishment of a European Investment Bank intended to facilitate the economic expansion of the Community through the creation of new resources; and

(k) the association of overseas countries and territories with the Community with a view to increasing trade and to pursuing jointly their effort towards economic and social development.

BRITAIN AND THE EEC, *continued*

why the term 'Economic Community' is more appropriate than the popular expression 'Common Market' to describe the Community. In a common market there is free movement of goods but the aim of the Community is that goods, people, companies and capital should move freely too. Articles 48-73 of the Treaty set out the principles for achieving this. The first 'freedom' treated in this section is that of freedom for workers from the Member States to get employment anywhere in the Community. Similarly freedom of establishment for firms' branches, agencies, etc., as well as for professional people such as doctors and dentists, and the right to supply services, e.g. in insurance and banking, wholesale and retail distribution are also provided for in this section of the Treaty. It is also in this part of the Treaty that one finds the basis for the work currently going on in the Community for the harmonization of Company Laws in the Member States. Provision is also made here for the removal of restrictions on the movement of capital from one member country to another though here, as elsewhere in the Treaty, provision is made for safeguards against disturbances in the economies of the Member States.

Transport: Articles 74-84

The provision of a common transport policy was one of the fundamental objectives of the Treaty of Rome (Articles 2 and 3). Although the Treaty makes fairly detailed provision for the establishment of such a policy the Community has in fact made little progress yet. The Treaty applies at present only to transport by rail, road and waterway and so much work remains to be done when one comes to consider the part to be played by air and sea transport in an enlarged Community.

Rules of competition: Articles 85-94

Articles 85-94 of the Treaty of Rome deal with competition policy – an area of the Community's activities with which regular readers of *Trade and Industry* may be fairly familiar, because of the effect these principles have on commerce between Member States and third countries. Developments in this field have been published regularly in this Journal, but it may be useful to summarize the essence of the policy as envisaged in the Treaty.

Article 85 of the Treaty bans restrictive practices which distort competition in trade between the Member States. This covers price fixing, market sharing, restriction of production for technical developments, and discriminatory supply markets. The ruling which applies not only to agreements between firms and Member States of the EEC but also to agreements between firms in the Community and firms in third countries has led to the establishment of a number of Community rules and regulations. The EEC Commission has accumulated a body of precedents to enable it to deal adequately with the question of whether firms' agreements are compatible with the objectives of the Treaty of Rome. A useful summary of what is involved in this section of the Treaty is set out in the EEC publication 'Community Topics: No. 35 – Ensuring Fair Competition in the European Community'. Other Articles in this section deal with monopolies and mergers, dumping by one Member State against another and the effect of aids granted by States to industries, with a view to ensuring that fair competition is maintained in trade between the States.

Taxation: Articles 95-99

This section of the Treaty deals with taxation and is intended to ensure that Member States do not put taxes on each other's produce which are higher than those levied on their own. The long term intention is that all forms of taxation in the Community should be harmonized. At present, however, the most important Community achievement in this field is agreement on a common system for a value added tax. This is described in 'Community Topics: No. 36 – The Value Added Tax in the European Community'.

Approximation of laws: Articles 100-102

The approximation of legislation is the intention of numerous Articles of the Treaty, but within this wide field these Articles provide for the harmonization of national laws to the extent necessary to further the objectives of the Community. This part of the Treaty can be of particular importance where, for example, Industrial Standards are concerned. National variations in these standards can have an adverse effect on the free movement of goods in what is intended to be a single market.

Economic policy: Articles 103-109

These Articles are concerned with the economic policy objectives of the Community and cover the measures to be taken in cases of balance of payments crises.

Commercial policy: Articles 110-116

These Articles set out the basis for the common commercial policy to be adopted by the Community in its relations with third countries. This was described in the *Journal* article of July 1, 1970 and we shall be reverting to this subject in a later article of this series.

Social policy: Articles 117-128

This section of the Treaty provides for action by the Community as a whole and for inter-governmental co-operation on a national basis to promote better conditions of living and of work and for employment of workers. Among other things it provides for a common policy for vocational training, for the setting up of the European Social Fund from which grants are made towards the cost of vocational training, resettlement allowances and compensation for temporary loss of work resulting from changes in industrial development in the Community. It also aspires to some exchange of views about eventual harmonization of social security schemes, a European system of industrial health and safety and specific provision for equal payment for men and women.

European investment bank: Articles 129-130

The purpose of this Bank whose Statute is set out in a Protocol annexed to the Treaty is 'to contribute by having recourse to the capital market and utilizing its own resources, to the balanced and stable development of the Common Market in the interest of the Community'. The Bank grants loans and makes guarantees on a non-profit-making basis to help finance certain defined projects in all sectors of the economy; to develop less developed regions; to

Picture shows the latest Dixon Logstreamer toilet and kitchen roll winder en route for Rouen, France, and the second supplied to this French customer in the last 12 months. This model is the result of four years' development and has also been exported to the United States. T. H. Dixon & Co. Ltd. of Letchworth, manufacturers of coating plant, report 1970 exports were an all-time high. The company's chief sales executive, Mr. Dick Bizzey, has just returned from a three-week tour of South Africa, where he found the agents favourably reporting on this year's potential in their areas.

modernize or convert or establish new activities which are outside the scope of individual Member States; and to finance projects of common interest to several Member States. The Bank is managed by a board of Governors provided by Member States who subscribe to its capital in proportions laid down in the Statute set out in the Protocol.

Association of overseas countries and territories: Articles 131-136

This part of the Treaty provides for arrangements to be made for the association of countries with special relations with the Member States of the Community. It is under these Articles of the Treaty that arrangements have been proposed for the association of a number of developing Commonwealth countries and these procedures will be described in greater detail in later articles in this series.

INSTITUTIONS OF THE COMMUNITY

The assembly, or European Parliament: Articles 137-144

The European Parliament is composed of members of the parliaments, of the member States. There are at present 142 members. The Parliaments of France, Germany and Italy each nominate 36, Belgium and the Netherlands 14 and Luxembourg six. The Parliament debates all the major questions of Community policy: and members can also put questions to the Commission and to the Council for written or oral reply about the Community's policy and administration. The Parliament has some power over the Community's budget, and has a consultative role in the Community's plans for further economic integration. By a two-thirds majority vote it can compel the resignation of the entire Commission.

The Council of Ministers: Articles 145-154

The Council of Ministers consists of one Minister from each Member State of the Communities. Each Member State assumes the presidency of the Council in turn for a period of six months. The Foreign Minister of each government is generally regarded as his country's main representative on the Council, especially where major decisions affecting general policy are concerned, but if the Council meets to consider more specialized questions, such as agriculture or social problems, the Minister responsible for the sector concerned represents his country.

All basic Community decisions are taken by the Council. Under the Treaty the Council can act in minor cases by a simple majority, in more important cases by a system of weighted voting (qualified majority). And on certain issues of major importance, especially when it is breaking new ground the Council can only act by a unanimous vote. Weighted voting means that France, the Federal Republic of Germany and Italy each has four votes, Belgium and the Netherlands two, and Luxembourg one, making a total of 17 votes. A minimum of 12 votes is required for a qualified majority.

Under the Treaty of Rome it was envisaged that after the first few years majority voting would be applied more frequently. In practice, however, there has not been majority voting on any issue of importance to any Member State.

The Commission: Articles 155-163

The Commission consists of nine Commissioners. They are appointed for four years at a time by agreement among the Member States. There are two Commissioners each from France, Germany and Italy, and one each from the other members. The members of the Commission are pledged to independence of the governments of the Member States and of national or other particular interests. They must act in accordance with the powers given to them by the Treaty.

Each Commissioner is allocated responsibility for co-ordinating work in particular fields, but the Commission can only act collectively. The Commissioners are helped in their work by a staff of international 'civil servants' whose main offices are in Brussels.

The Commission's job is to examine issues of Community importance from the point of view of the Community as a whole and then to formulate proposals on which it is for the Council of Ministers to decide. These proposals are produced only after intensive consultation with the appropriate officials of the Member States, and also with organizations such as trade unions, employers, farmers and consumers and, where appropriate, with the Parliament. The Commission also provides the day-to-day administration of the Community.

The Court of Justice: Articles 164-188

The Court of Justice, which sits in Luxembourg, consists of seven judges appointed by agreement among the governments of the Member States. They are chosen from judges who would be eligible to sit in the highest court in their own country.

The Court's task is to interpret the meaning of the Treaty and any Community rules and regulations made under the provisions of the Treaty. Its procedure in such cases is broadly similar to that of the highest courts of the Member States. Not only the Member States and the institutions of the Community but also firms and individuals have the right of appeal to this Court if they consider that the terms of the Treaty have not been properly applied in matters affecting them.

The economic and social committee: Articles 193-198

This Committee provides a formal means of ensuring consultation with the representatives of various economic and social interests including workers and producers organizations.

It is provided that the Committee should include representatives of producers, farmers, carriers, workers, dealers, small craft industries and professional occupations. Provision is made for the Committee to be consulted by either the Council of Ministers or the EEC Commission.

The remaining Articles of the Treaty (Articles 199-248) are concerned with a wide range of provisions including financial administrative and legal provisions. While all these are of great importance, the average businessman would probably do better to read about them in the various books describing the working of the Community, than to plough through the detail in the Treaty. Despite their importance, these provisions are less likely to be of general interest than the principles and objectives set out in the earlier Articles. Similarly, it seems unlikely that the average reader would need to know in detail about the Appendices to the Treaty.

Public inquiry into electric lines in Cornwall

THE SECRETARY of State for Trade and Industry has decided to hold a public inquiry into the application by the South Western Electricity Board for his consent to the placing of the Hayle/Penzance 132 kV line across lands in the Parishes of Gwinear-Gwithian, St. Erth, St. Hilary, Ludgvan, and Madron, and for his confirmation of the South Western Electricity Board (Hayle-Penzance 132 kV electric line) Compulsory Purchase Order 1971.

The Secretary of State has appointed Mr. J. G. Lindsay, a senior engineering inspector, to hold the inquiry on his behalf and Mr. H. L. Nicholson, a planning officer of the Department of the Environment, will attend as an assessor on amenity aspects.

The inquiry will be held at St. John's Hall (old municipal offices) Penzance, and will open at 10.30 a.m. on Tuesday, June 22, 1971.

Proposed pipeline: public inquiry

MR. JOHN DAVIES, Secretary of State for Trade and Industry, has ordered a public inquiry to consider objections lodged against the application by MMM Pipelines Ltd. for an authorization to construct a petroleum products pipeline from Milford Haven, Pembrokeshire, to Seisdon, Staffordshire, and thence to Kingsbury, Warwickshire, and Old Trafford, Lancashire.

The inquiry will open at the Shire Hall, Haverfordwest, at 10 a.m. on Tuesday, June 29, and continue at 10 a.m. on Tuesday, July 13, at the Town Hall, St. James's Road, Dudley, Worcestershire. Mr. G. J. Easterbrook FIMunE, of the Department of the Environment, has been appointed as the Inspector to hold the inquiry and he will be assisted by Mr. L. E. Ellis, MICE, FIMunE, also of the Department of the Environment, as an Engineering Assessor.

All outstanding objectors have been notified of the arrangements.

Visit of Hungarian delegation

HE DR. MIKLOS AJTAI, Deputy Prime Minister of Hungary and Chairman of the Hungarian State Committee for Technical Development visited the United Kingdom as a guest of HM Government from May 2-8. He was accompanied by Dr. Janos Sebestyen, First Deputy Chairman, State Office for Technical Development, Dr. Bela Szalai, Deputy Minister of Foreign Trade, Professor G. Hajos, Director, State Office for Technical Development.

During his stay, Dr. Ajtai met Mr. John Davies, Secretary of State for Trade and Industry, Mr. Michael Noble, Minister for Trade and Mr. Anthony Grant, Parliamentary Under-Secretary of State for Trade, Department of Trade and Industry, and discussed with them various aspects of the economic relations between Hungary and the United Kingdom.

The Hungarian Ambassador in the United Kingdom HE Dr. Vencel Hazi and HE Mr. Derek Dodson Her Britannic Majesty's Ambassador to the Hungarian People's Republic also took part in the talks.

The talks covered three main areas, i.e., trade between the two countries, scientific and technological collaboration and the possible further development of industrial and economic co-operation.

The British and Hungarian Ministers analysed the position in trade and in the different fields of co-operation, and agreed that further developments in these areas were desirable in the interests of both countries. Dr. Ajtai drew attention to certain restrictions on Hungary's ability to trade with the United Kingdom and was assured that it was the British intention to remove such restrictions as soon and as far as possible. It was understood that negotiations for a new Economic and Trade Agreement should be initiated as soon as possible, i.e., by the end of 1971 or beginning of 1972.

On collaboration in technological and applied science within the frame work of the Agreement signed in 1967, the Ministers noted the practical links between the Department of Trade and Industry and the State Office for Technical Development, and expressed their desire that these should be further strengthened in the interests of industry and applied science on both sides.

It was agreed that university exchanges in general should be examined under the relevant cultural programmes, but the possibility of direct technological and other research exchanges between individual university departments might be examined further in the context of the existing technological exchanges.

The British Ministers noted the Hungarian desire for the further development of economic and industrial co-operation in manufacturing, in joint ventures – which might extend to third markets – and other collaborative endeavours in the industrial field. In this connection the position of the two Government Departments was essentially that of honest brokers, bringing suitable opportunities to the notice of industry on both sides and leaving further developments to the commercial judgment of the individual companies concerned. Gaps in co-operation might also be identified by the two Governments and both sides undertook to investigate further areas for co-operation. They also expressed their willingness to examine any problems which arose either in existing or future co-operation proposals. New proposals were made by the Hungarian side aimed at promoting industrial and economic co-operation. The two parties agreed that these should be further discussed at the negotiations on the proposed long-term Economic and Trade Agreement. The Hungarian side undertook to provide the British side with detailed proposals in due course.

Dr. Miklos Ajtai, Deputy Prime Minister of Hungary invited the Secretary of State for Trade and Industry, Mr. John Davies, to visit Hungary at a convenient date. Mr. Davies accepted the invitation.

During his stay Dr. Ajtai also met the Foreign and Commonwealth Secretary, Sir Alec Douglas-Home, The Ministers discussed bilateral relations between Hungary and the United Kingdom and other matters of mutual interest.

Proposed pipeline from Mablethorpe to Immingham

MR. JOHN DAVIES, Secretary of State, Department of Trade and Industry, has agreed that Conoco Ltd. may advertise a proposal to construct a pipeline about 29 miles long in Lincolnshire to convey gas condensate from the company's North Sea Gas Terminal at Mablethorpe to their refinery at Immingham.

Gas condensate is a liquid which is separated from natural gas at the gas terminal before the gas is passed to the gas transmission pipelines for general distribution. It is a light hydrocarbon oil similar to petrol.

New British Export Board

MR. JOHN DAVIES, Secretary of State for Trade and Industry, announced in a Parliamentary written answer on May 11 his decision to create a single organization for the handling of export promotion work previously divided between the Department of Trade and Industry and the British National Export Council and its area committees. The White Paper on the Reorganization of Central Government (Cmnd 4506) of last October foreshadowed a review of the present system. The Secretary of State said: 'After consulting a wide range of interests, including the BNEC and other representative bodies of industry, I have come to the conclusion that the best form of organization is one designed to integrate the various export promotion services at present provided by the BNEC and the DTI and at the same time to maintain the active and valuable participation of businessmen in the work of export promotion. Finance will have to continue to be provided by the Government.

'I have concluded that the best way to achieve these objectives would be to bring all export promotion services into a single organization under a British Export Board. This Board will consist of people especially experienced in export activities including representatives of commerce and industry, of whom one will be the chairman, together with representatives of the DTI and FCO. It will work under the general authority of the Minister for Trade, Mr. Michael Noble, who will in this capacity be known as President of the British Export Board and will take the chair from time to time. He will be responsible to me for its work. In general, however, the affairs of the Board will be conducted by the chairman. The Board will be serviced by staff of the Department of Trade and Industry.

'The organization of the Board will require further consideration, but its main task will be to give broad direction to the execution of export intelligence work, the work on trade fairs and other promotional activity overseas, the schemes for financial support for firms to participate in missions and for inward commercial visits to this country.

'I shall now begin the necessary consultations, with a view to bringing the new organization into operation as soon as possible. In the meantime the existing organization will continue with current work.'

Mr. Davies concluded his statement by saying: 'I would like to take this opportunity to pay a tribute to the work which the BNEC, its chairman and area committee chairmen, members of staff have carried out in the past in support of the export promotion effort. They have served the country well in this vital work and I am grateful for all they have done.'

Licensing and co-operation with Hungarian enterprises

A LONDON Chamber of Commerce Forum was held in conjunction with the Hungarian Chamber of Commerce on January 26, 1971. The purpose of the Forum was to discuss 'Licensing and Co-operation with Hungarian enterprises and related industrial problems'. It proved to be a highly successful and informative event.

The Hungarian guest speakers at the Forum were Dr. Emil Tasnadi, President of the Hungarian National Office of Inventions and Chairman of the Committee for Technical Innovations of the Hungarian Chamber of Commerce; Dr. Ivan Szasz, Head of the Legal Department at the Ministry of Foreign Trade, Dr. Gyula Horváth, Secretary of the Hungarian Association for Protection of Industrial Property; Dr. Gyorgy Palos, Legal Adviser, Hungarian National Office of Inventions and Dr. Jozsef Varro, Head of the Hungarian Office for International Business Law and Member of the Presidium of the Hungarian Chamber of Commerce.

A report of the Forum's proceedings has now been issued, priced £1, postage and packaging included, obtainable from the London Chamber of Commerce, 69, Cannon Street, London EC4N 5AB.

DTI restriction on insurance company

THE SECRETARY of State has issued a direction under Section 68(1) of the Companies Act, 1967 to Falcon Insurance Company Limited, 257 The Vale, Acton, London, W3, that it shall cease taking on new insurance business as from May 13, 1971. This prohibition applies to renewal and variation of existing policies as well as to issue of new policies. It does not prevent the company discharging its liabilities under policies already in issue.

Notes:

The Falcon Insuance Company Limited carries on only motor vehicle insurance business and property insurance business.

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Shipbuilders showing 'determination to succeed' —Mr. John Davies

A RESURGENCE OF DETERMINATION to succed is evident throughout the shipbuilding industry, Mr. John Davies, Secretary of State for Trade and Industry, said on May 14.

'The time has almost come for this great industry to resume total responsibility for its own future,' he said when opening the new covered berths at the Scotstoun Shipyard of Yarrow (Shipbuilders) Ltd.

'Perhaps it may be felt that the recovery process is as yet too insecure to contemplate drawing away the props, but I do not believe that to be the case,' he added. 'The longer the process of external support is sustained, the greater is the danger that the industry will not be able to put its weight on its own feet and move on its own.

'Indeed, it had been foreseen that the period of injection of resources should have come to an end last year, but in the light of developments then we decided to continue the process for another year. This was principally undertaken by extending to the end of the year the life of the Shipbuilding Industry Board, to continue its sustaining role.

'Looking back in time we have always seen ourselves as front-runners, putting into the industrial process rather more than did our competitors – and that extra element was skill and ingenuity, rather than sheer effort.

'This is nowhere more true than in the shipbuilding industry. Its industrial efficiency constituted one of the earliest achievements of the Industrial Revolution. Within a few miles radius of where we are today there was developed a capability in this field of work for long quite unparalleled throughout the world.'

Mr. Davies suggested that the trouble with front-runners was that they became the object of close examination and imitation and, finally, unless they kept very much on their toes, risked being by-passed by their imitators.

He went on to say that when Sir Reay Geddes and his committee took a frank and objective look at the industry six years ago they found that, despite its highly qualified work-force and its wealth of practical experience it had allowed itself to become outdistanced by its foreign competitors.

The committee recommended a major reorganization, assisted by public funds and to be attained over a specific period. But Geddes was clear that at the end the industry would need to stand wholly on its own feet again and compete on even terms with the world at large.

'To be sure the committee identified certain aspects of national support for the industry which seemed to be enduring,' said Mr. Davies, 'of such a kind is the guaranteeing of credit to shipowners to enable them to place their orders and make their instalment payments. Under the Home Credit Guarantee System total cover has been advanced progressively from £200 million to £700 million, the latter figure being that provided in the Bill we are now seeking to have Parliament approve.

'It is interesting to note that one objective in mind has been to attain a level where the total would be self-sustaining – one at which the repayments of shipowners of old loans would feed the pool of financial cover to meet new demands.

'This seems to be as far away as ever and the Government recognizes that by one means or another it will have to play its part in ensuring that finance continues to come forward to meet the apparently insatiable demands of the market.

'A second continuing factor is Shipbuilder's Relief. This refund of tax and duty payments has amounted to upwards of £15 million over the last 4½ years and is therefore by no means a negligible element of support.

'Over and above these more permanent items the Committee recommended the creation of a shipbuilding industry board through which the injection of financial stimulus was to be undertaken over a brief period. The SIB has been in existence for nearly five years and paid or promised over £18 million in grants and £3 million in equity subscriptions and agreed to advance nearly £17 million in loans upon conditions generally easier than the market would have required.

'The SIB's purpose in handling their resources was to bring about the major organizational and operational changes needed to help the industry back on to its internationally competitive feet again.

'In addition the Ministry of Technology weighed in the additional support to the tune of £8½ million. The market, moreover, has been of a nature to give the industry a boost during this recuperative period.

'Partly due to unprecedented growth in seaborne trade and partly to unpredictable events like the closure of the Suez Canal the demand of shipping has been buoyant and this, too, has therefore contributed to conditions in which the industry could be expected to re-assert itself and regain some of its former pre-eminence.

'I feel sure there will not be many experienced people here who will claim that these opportunities have been fully seized and transformed into success stories. The restructuring has not in every case been competently planned beforehand: the re-equipping has been tardy: the productivity gains have been disappointing.

'None of this is to say that the whole process of revitalization and recovery has been frustrated. What has happened is that it has all taken much longer than anticipated and the resources expended upon the project have too largely been syphoned off into unproductive uses, instead of contributing to the strengthening of the industry.'

Mr. Noble announces extension of Export Marketing Research Scheme

SPEAKING AT a luncheon of the Edinburgh Chamber of Commerce on May 10, Mr. Michael Noble, Minister for Trade, said:

'Some people seem to have the idea that this Government has little heart in providing help for British exporters. If this were true I would not be discharging my job: and I can assure you that this is not so. We know that thousands of firms use Government export services, value them and want to see them developed. We intend to see that the services remain second to none in the world.

'This does not mean that the services should never change. On the contrary we have to look ahead to the needs of tomorrow's world market conditions, and make sure that we provide the easiest possible route to the network of Government support. And, as in other areas of expenditure we have to cut out unnecessary frills and get the best possible value for the sizeable sum of public money involved.

'I am very pleased to announce the Government's decision that the DTI's Export Marketing Research Scheme, which has operated experimentally for the past two years is to be continued for a further three when we shall review its operation again.

'It is obvious that decisions on export marketing can best be taken on the basis of a thorough market knowledge. The object of this scheme is to stimulate the use of deep, thorough-going research into an overseas market. The scheme is another example of the selective policy I have been describing. It is a scheme for individual exporters. It provides

- an advisory service: how to get at the sources of overseas market information, how to set up a market research project.
- financial support: in selected cases of up to one-third of the cost of research undertaken by a professional marketing research consultant.

'Firms who are considering an overseas marketing study with a view to expanding their exports should contact the Export Section of their DTI Regional Office.'

Background notes:

The DTI's Export Services Division, at Export House, London, includes an Export Marketing Research Section which operates the scheme. Initial inquiries should, however, go to DTI Regional Offices.

A full description of the scheme was published in *Trade and Industry*, last week, page 279.

London Chamber of Commerce and Industry to expand its export services

THE LONDON CHAMBER of Commerce has announced plans to step up its services to United Kingdom exporters. It has also been decided to change the Chamber's name to the London Chamber of Commerce and Industry. The new plans include an increase in inward visits and missions by overseas experts, group travel schemes, more market research projects, the development of special services in fields like Licensing and Barter Trade, and a new improved Commercial Information and Library service.

The new measures were announced on May 11 by Mr. Robin Brook, president of the Chamber, as part of an overall plan to develop the Chamber's overseas trade sections. At present, the Chamber has 33 autonomous sections who elect their own chairman and committees dealing with individual countries or groups of countries. Under the new plan, it is intended to develop the work of these sections and to extend their representational and service role. They will be grouped together into five Divisions – Africa and the Middle East, Asia and Pacific, East Europe, West Europe and Western Hemisphere.

EIS—the key to export opportunities in scientific instruments

THE WORLD-WIDE expansion of educational, medical and research facilities – stemming from the provision of new universities, colleges, schools, hospitals and research establishments – coupled with the growing needs of industry is engendering increased demands for every kind of scientific equipment.

United Kingdom manufacturers have not been slow to take advantage of this trend. This is reflected in the marked increase, year-by-year, in the value of the United Kingdom scientific apparatus exports over the past three years†:

£ million			
1967	1968	1969	1970
122	148	179	209

But, while this performance is excellent, scientific apparatus makers who wish to expand their business in this highly competitive market will agree that the earliest possible knowledge of export opportunities is essential if they are to maintain this momentum by bidding successfully for future business on offer.

DTI's computer-based Export Intelligence Service is designed to provide this knowledge. Information on export opportunities (much of it exclusive to EIS) is reported daily to DTI's Export House in London by commercial staff at 220 British Embassies, High Commissions and Consulates throughout the world. And EIS's computer-based service is geared to ensure that this information reaches its subscribers by first-class mail within 48 hours of its receipt. For only £25, a subscriber to EIS gets 500 items of export market information tailored to his needs – in other words 5 new pence buys him a chance of export business worth infinitely more. Those 500 items can be supplied over any pe[illegible]f time, and the subscription is not due for renewal until they h[illegible]ll been received.

In March 1971, 200 specific export opportunities, agency inquiries, calls for tender, etc. in the scientific equipment field were received by the Export Intelligence Service from British Commercial Officers. They related to the following types of instruments – meters and counters, measuring and control equipment, meteorological and survey equipment, testing and analysis equipment, laboratory, optical research and cryogenic equipment, microscopes, barometers, thermometers, etc.

Inquiries were received from no less than 44 countries. The greatest number (50) came from EEC countries – 20 from the Federal Republic of Germany, 13 from Italy, ten from France, four from Belgium and three from the Netherlands. EFTA countries provided a total of 17, 13 of which were from Sweden. A further 15 came from Australia, nine from South Africa, nine from New Zealand, seven from the United States, seven from Canada and five from Taiwan. Other inquiries were received from Argentina, Ceylon, Malaysia, Kuwait, Israel, Greece, Burma, India, etc. Tenders received during March included, inter alia, the provision of 40,000 meters for the Bogota Water Board, whilst market pointers gave details of the construction of a new school in Ontario valued at £2 million, the expansion of Melbourne University at a cost of $A40 million and anti-pollution measures in France by the French Ministry of the Environment involving an initial expenditure of Frs. 30 million. Specific export opportunities included analysers and chromatographs for Germany, colorimeters for France, electron microscopes for Argentina and laboratory cryogenic equipment for the United States.

In addition to the categories of information mentioned above, EIS provides market reports, shorter market pointers to new trade opportunities, successful bidders for foreign contracts, information about overseas buyers visiting the United Kingdom, opportunities for co-operation with overseas manufacturers (shared production or licensing of know-how, designs, trade marks, etc.), details of tariff and import regulation changes in overseas countries, international aid and loan agreements and trade agreements, advance notification of overseas trade fairs, British Weeks, etc., and quarterly reports on the latest economic and trading situation in over 100 countries.

Some exporters may claim that they do not need the sort of service provided by EIS when they have efficient agents in their overseas markets. But no agent is infallible; some opportunities might easily be missed and these might well be the important ones. And few agents can match the 'catchment area' of EIS's overseas network, and the exclusive nature of much of the EIS information. For full details of EIS contact the nearest DTI Regional Office or DTI's offices in Scotland and Wales; or Export Data Branch at Export House, 50 Ludgate Hill, London, EC4M 7HU (Tel. 01-248 5757; telex 886143 BOTHILLGATE Ldn).

† Division 86 of Standard International Trade Classification (Revised).

EFTA bulletin looks at Ireland

FOLLOWING THE SERIES of articles on the attitudes of the EFTA members to the EEC, the May issue of EFTA *Bulletin* contains a portrait of the non-EFTA applicant – Ireland. The regular diary of events in the EEC negotiations continues to report developments in the contacts between the nine EFTA countries and the Six.

EFTA's continuing work on regional development policies is highlighted in an interview with Mr. John Warne of the DTI who is chairman of an EFTA working party on Industrial Mobility. The report of the results of this study will be published later in the summer.

The problem of air pollution and the task of future planning is the subject of another article. Reference is made to measures which have been taken by national authorities in the EFTA countries to protect the environment.

Other articles discuss engineering sub-contracting in the Nordic countries and the development of EFTA trade with Eastern Europe.

Copies of the May issue of EFTA *Bulletin* are available free of charge from the EFTA Information Centre, Department of Trade and Industry, 1 Victoria Street, London, S.W.1 (Tel. 01-222 7877, Ext. 2479/80).

ADVERTISEMENT INQUIRIES FOR 'TRADE AND INDUSTRY'

Inquiries concerning the insertion of advertisements in Trade and Industry *should be addressed to HMSO, Room D92, Atlantic House, Holborn Viaduct, London, E.C.*1 (01-348 9876, *Ext.* 6147).

EFTA ministerial meeting

A MINISTERIAL meeting of the EFTA Council under the chairmanship of Mr. E. Brigger, Head of the Federal Department of Public Economy of Switzerland, took place in Reykjavik, Iceland, on May 13-14. After a discussion of developments in the Free Trade Association, Ministers reviewed the negotiations in Brussels of the past few months involving the applications for membership of the Communities by Denmark, Norway and the United Kingdom, and the requests for special relations agreements by the other six EFTA countries.

A full report of the EFTA Ministerial meeting will appear in the May 26 issue of *Trade and Industry*.

Need for discussions on VAT

OPINIONS on the Green Paper on Value Added Tax were invited by Mr. Patrick Jenkins, Financial Secretary to the Treasury, at a dinner given by the customs and excise Controlling Grades in London, on May 11.

Mr. Jenkin said: 'We have published a Green Paper on the new tax, mainly in order to give businessmen and their advisers a chance to look at our proposals in advance and discuss with us how it will affect their trades. I am told that, to date, very few Trade Associations have taken advantage of this. So I say to them: "Wake up – before it is too late!" We want to get the new tax right, but with the best will in the world, we cannot know all the practical problems involved for particular trades and professions.

Whilst we cannot undertake to meet all the points which are put to us, consultations with those affected will certainly help us plan a better tax.'

Inquiries by industrialists about investment in assisted areas

MAKING a personal statement in Parliament on May 10, the Secretary of State for Trade and Industry, Mr. John Davies, said:

'The House will recall that in the course of my speech during the debate on unemployment on April 29 I gave figures, recorded in column 748 of *Hansard*, for the number of inquiries by industrialists about investment in the assisted areas and compared the number of inquiries in the first quarter of 1970 with those in the first quarter of 1971.

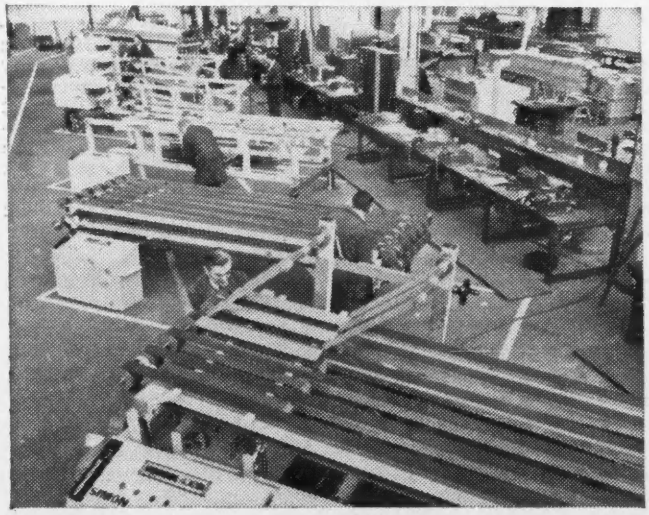
'I regret that I have now been informed that the figure for the first quarter of 1970, which I quoted as 538, was not correct. This figure referred to the number of inquiries by people other than industrialists and should not have been used in making the comparison I did. The number of inquiries by industrialists during the first quarter of 1970 was in fact 2,400; the number had declined to 1,083 during the first quarter of 1971 rather than increased as I had suggested.

'I wish to apologise unreservedly to the House for having given, in good faith, information which was incorrect.'

CoID sets up Engineering Design Advisory Committee

AS A STEP towards the establishment of a national Design Council, the Council of Industrial Design has set up an Engineering Design Advisory Committee to guide the future policy of its engineering activities. The chairman of the committee is Mr. G. B. R. Feilden, director general of the British Standards Institution and a member of the CoID's Council. Mr. Feilden was chairman of the Government committee which produced the Feilden Report on Engineering Design in 1963.

Leading industrialists, academics and consultants have accepted invitations to join the new Advisory Committee, including two former members of the Feilden Committee (Mr. S. H. Grylls and Mr. F. D. Penny). The Council of Engineering Institutions is also represented. The committee will advise the engineering staff of the CoID on the activities which could be undertaken to stimulate a nation-wide interest in engineering design; on the kind of assistance to be offered to individual engineering companies; on the CoID's Design Awards scheme; on any publications in the engineering field with which the CoID may be associated; and on the exhibitions, conferences and other special activities which the CoID organizes in connection with engineering design.



The production line of Simon Counter Collector machines being assembled in the Henry Simon Engineering Works, Cheadle Heath, Stockport, for delivery to box plants in Germany, Italy, America, Canada and the United Kingdom.

New advance factory for Hull

A 20,000 sq. ft. advance factory is to be built at Sutton Road, Hull. Announcing this on May 12, the English Industrial Estates Corporation, said that a contract worth about £103,000 has been awarded to F. Hall and Sons Ltd., who are to build the factory. Work is expected to start during June and the factory should be ready by early next year.

A factory of this size would normally be expected to provide employment for between 80 and 100 people.

Any inquiries for this factory should be addressed to Mr. J. Derbyshire, Estates Manager, The English Industrial Estates Corporation, 12 South Parade, Doncaster.

Official appointments

THE SECRETARY of State for Trade and Industry has authorized the following appointments:

Mr. P. C. Phillips to be re-appointed as a member and Mr. D. G. Johnson and Mr. R. Sugden, as part-time members of the Yorkshire Electricity Board. Mr. J. B. Upton will be retiring from part-time membership of the Board when his current appointment expires in June.

Alderman T. J. Jones, of Swansea; and Councillor Mrs. V. M. Naylor, of Colwyn Bay, to the Wales Gas Consultative Council.

Simplified procedure for export of educational aids

NEW ARRANGEMENTS to unify and simplify the export of educational aids free of duty came into force on May 1.

Under the Beirut Agreement, participating countries allow the importation free of duty (and with other benefits such as exemption from quantitative restrictions) of educational films, filmstrips, microfilms, sound recordings, slides, models, wall charts, maps and posters. These must be of an educational, scientific or cultural character and their main purpose must be to instruct, inform or promote the spread of knowledge and international understanding, be representative, authentic and accurate and be of technical quality adequate for use.

Although the United Kingdom is not a party to the Agreement a number of countries, chief among them the United States and Canada, accept British materials free of duty under the Agreement.

In order to qualify under the Beirut Agreement materials need to be certified by the 'appropriate governmental agency' of the originating country as being of an educational, scientific or cultural character and the certificate has to be accepted by the 'appropriate governmental agency' of the importing country.

Over the years various United Kingdom authorities have issued certificates acting on the advice of a number of advisory bodies as to educational content of the materials.

From May 1 the Department of Trade and Industry will be the sole certifying authority, advised as to the educational content of materials by the National Committee for Audio Visual Aids in Education.

Firms seeking certification of their products should complete and forward an application form in duplicate to the Information Department, National Audio-Visual Aids Centre, 254/256 Belsize Road, London NW6, together with a cheque to cover costs. The charge per item for certification will be 50p plus a charge for packing and postage in those cases where specimens are required for examination and their return is required by the applicant. Full information is given in the explanatory notes on the back of the application form.

Application forms can be obtained from General Export Services Branch, Department of Trade and Industry, Room G45, Export House, 50 Ludgate Hill, London, EC4M 7HU (Tel. 01-248 5757, Ext. 220).

Application for import duty on alkylphenol ethoxylates rejected

THE BOARD OF TRADE (now the Department of Trade and Industry) announced on April 21, 1970 that they were considering an application for the imposition of a 10 per cent full rate of import duty on alkylphenol ethoxylates. The Department now announce that the application has been rejected.

Imports of bananas from the Dollar Area: supplementary quota arrangements

To OFFSET a general shortfall in supplies of bananas to the United Kingdom from traditional suppliers of the Commonwealth Caribbean a supplementary quota of 5,000 tons has been established for imports from the Dollar Area during the current quota period which ends on September 30, 1971. Applications from existing licence holders are invited but no guarantee can be given that it will be possible to meet requirements in full.

Licences for limited quantities will be issued to meet the immediate needs of any importers that have exhausted their existing allocations.

Applications on form ILB/A together with a statement of the quantity of bananas imported from the Dollar Area in the period from October 1, 1970 to date, should reach the Department of Trade and Industry, Import Licensing Branch, 54 Broadway, London, SW1H ODB as soon as possible. Page 1 of the form should be completed; and page 2 left blank; on page 3 and copies, the applicant's name and address and the description of goods (fresh bananas) should be entered.

A notice to Importers will not be issued on this occasion.

Notes:

The annual basic quota for imports of bananas from the Dollar Area which has remained unchanged for several years, is 4,000 tons. There are no quantitative restriction on imports from other sources.

Supplementary quotas are made available from time to time to offset shortfalls in supplies from traditional Commonwealth Caribbean sources: a quota of 5,000 tons was made available in October 1970.

The Dollar Area comprises: Bolivia, Canada, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Republic of Honduras, Liberia, Mexico, Nicaragua, Panama, the Philippines, the United States of America, Venezuela.

Applications for temporary exemption from import duty

THE DEPARTMENT OF TRADE AND INDUSTRY are considering applications for the temporary exemption from import duty of the materials listed below on the grounds that these materials are not made in this country or the Commonwealth or the supply available from these sources is not substantial having regard to the existing United Kingdom demand.

Representations are invited from manufacturers in this country or agents of Commonwealth manufacturers who consider they are, or will be within a reasonable period, in a position to supply a substantial proportion of the United Kingdom demand for these materials, or who are interested in their future production.

Temporary exemptions come into effect on the operative date of the Treasury Order in which the materials are specified and normally continue until the end of the current calendar year, when they are reviewed.

Interested parties who wish to make representations should address them to Tariff Division, Department of Trade, Brunswick House, 2 Central Buildings, Matthew Parker Street, London, S.W.1, preferably through a Trade Association, giving the respective reference shown below and stating whether their names may be passed to the applicants for temporary exemption. Representations should be received by June 2.

Tariff Heading	Proposed definition for tariff purposes	Applied for as	Exemption required until	Reference
29.07	4, 6 - Dinitro - *o* - cresol (–OH at 1), ammonium salt	4, 6 - Dinitro - o - cresol, (2-methyl-4, 6-dinitrophenol)	December 31, 1971	13601
29.25	*N* - (3 - Chloro - 4 - methoxyphenyl - *N' N'*- dimethylurea	METOXURON - viz., 3 - (Chloro - 4 - methoxyphenyl - 1, 1 - dimethyl urea)	December 31, 1971	13605
29.35	Menaphthone hydrogen bisulphite - 2 - hydroxy-4, 6-dimethylpyrimimidine complex	1, 2, 3, 4-tetrahydro-2-methyl - 1, 4 - diox - 2 - naphthalene - sulphonic acid compound with 4, 6-dimethyl-2-pyrimidinol	December 31,	13595
51.01	Yarn wholly of Poly-(glycollic acid)	Polyglycollic yarn	December 31, 1971	11736
70.20	Glass fibre continuous filament yarn of low alkali borosilicate glass (E glass)	Glass yarn	December 31, 1971	11483

THE INDUSTRIAL RELATIONS BILL

An important announcement from LRS Publishers Ltd.

The proposals in the Industrial Relations Bill, and the way they will operate in practice are basic to the future of every business. Yet company executives, trades union leaders, and even an ex-Prime Minister have confessed publicly that they cannot foresee the likely effects of the proposals.

CAN YOU?

LRS Publishers, an independent organization which specialises in providing business people with sound guidance on legal developments significant to industry, have already held two high-successful conferences on the Bill. Now they have arranged a one-week scheme to make management, legal advisers to industry, personnel officers, and everyone else concerned with industrial relations and negotiations aware of the problems confronting them, and to offer practical solutions.

THIS FIVE-DAY CONFERENCE WILL BE HELD AT THE ROYAL GARDEN HOTEL, LONDON, W.8, JULY 5th-9th, 1971

Telephone inquiries: 01-602 0991

It will provide an intensive, well-conceived course for senior managers and advisers who cannot afford to spend months or even years, to acquaint themselves with the new law.

SEMINAR STUDY TOPICS will include: contract, tort, criminal law and the Industrial Relations Bill; the Industrial Relations Bill in the context of other statute law; rights of workers revised and re-defined; dismissal; the contracts of Employment Act, 1963; collective bargaining; machinery to police the Act; conduct of trade unions; obligations imposed on Employers' Associations; disclosure by employers.

SPEAKERS:
K. W. Wedderburn, Professor of Law at London University.
Bruce Reynolds, barrister and lecturer.
Alan Pardoe, lecturer.
Eric Wigham, sometime labour correspondent of *The Times* and a member of the Donovan Commission.
J. C. Wood, Professor of Law at Sheffield University.
Kenneth Baker, M.P., Parliamentary Private Secretary to the Minister of State at the Department of Employment and Productivity.
Martin Y. Cobb, deputy director, labour relations, the CBI.
George Doughty, general secretary of the Draughtsmen and Allied Technicians Association.
Eric S. Heffer, M.P., front bench spokesman.
Roy Lewis, lecturer.
Clive Jenkins, General Secretary, A.S.T.M.S.

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3..... .....

4..... .....

Company and Address:.....

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Tel. No.....

Aviation and Shipping

Mr. Anthony Grant opens Channel Safety Conference

A CALL FOR concerted action to improve the safety of navigation in the English Channel was made by Mr. Anthony Grant, Parliamentary Under-Secretary for Trade, when he opened a four-power Channel Navigation conference in London on May 12.

The meeting was attended by delegations from the United Kingdom, France, Belgium and Holland. It followed the IMCO Maritime Safety Committee meeting in March when it was agreed that nations bordering the Dover Strait should meet to study the detailed problems of navigation.

Mr. Grant said: 'The British Government have welcomed this opportunity of having a meeting with the coastal states who are closely concerned with navigation in the Channel. This is an area of very dense traffic, through which flows much of the trade to and from north west Europe. There have been a number of accidents and collisions with resultant threats of pollution to our coasts. I fully realize that a great deal has already been done or is in train, to improve navigation in the Channel. However, it seems to us that more still needs to be done and in particular, we all need to concert together the actions which have to be taken to put into effect schemes which have been agreed.

'On these matters the British Government have certain ideas which we are anxious to put to you. On the other hand, we are ourselves most anxious to hear the ideas of the European coastal states, because navigation in the Channel is truly an international problem, and one which can only properly be improved by the joint action of the countries concerned. As you know, at its last meeting the Maritime Safety Committee of IMCO reached important decisions about the observations of traffic separation schemes in the Dover Strait and elsewhere. We are most anxious to discuss with you how in fact these arrangements can best be put into practical effect as early as possible, and we will explain the practical measures which we are taking in the United Kingdom, such as the provision of helicopters and radar surveillance.

'This is however only the immediate problem. I think that it would be of benefit to all of us to look further into the future and to discuss how navigation in the Channel might be improved in various ways beyond that first stage. This brings in the discussion of various problems such as pilotage, wreck removal, traffic surveys and advisory systems, of which I am sure you are well aware.

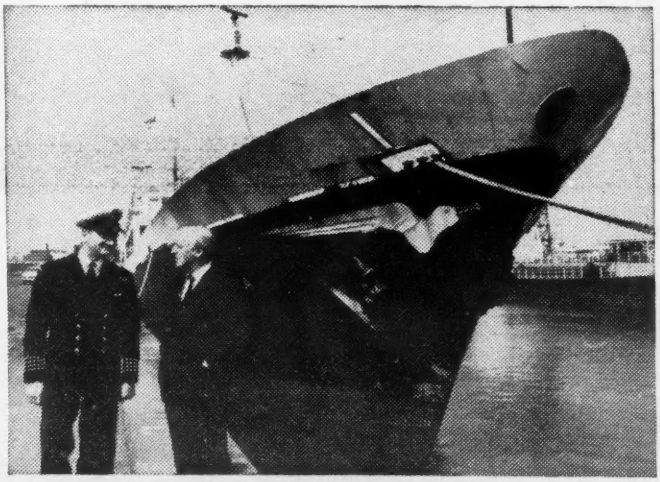
'Traditionally, Britain is a seafaring nation with great respect for the freedom of the seas and for the right of masters of ships to navigate as their judgment dictates, nevertheless I believe that traffic in the Channel is developing to such an extent that it is right that we should all together look at all possible ways of improving safety of navigation, so as to safeguard both the lives of seafarers and passengers, and also our shores from pollution. The increase in the size of ships in service today and in the future makes all this the more desirable.'

Background notes:

The agenda for the meeting, which was held from May 12 to 14 included:

1. Methods of surveillance and guidance under the Channel separation scheme.
2. Pilotage.
3. Hydrographic surveys.
4. Traffic surveys.
5. Wreck removal.
6. Air/sea search and rescue.

The full communiqué issued after the three-day Channel Safety Conference will be published in the next issue of *Trade and Industry*.



The fishery support ship 'Miranda' returned to Hull on May 4 on completion of her winter tour in the sea area off Iceland north of 65° North. As in previous winters the support ship has maintained regular radio contact with all British trawlers in the area checking their positions and giving weather forecasts and advice on the safety of their vessels. In addition 'Miranda' has supplied a day to day medical service with a doctor giving radio advice, enabled visits to be made to sick and injured men in the trawlers and provided treatment in the ship's hospital. Picture shows Cdr. Charles Adams (left) and Captain Richard Emden; the two Coastguard Inspectors who have taken turns to command her during the tour.

Royal Navy opens new Channel route

A NEW, SAFE CHANNEL ROUTE for westbound shipping has been opened by the Royal Navy following the sinking of the 'Texaco Caribbean', 'Brandenburg' and 'Niki' on the traditional route inshore of the Varne Bank. Charts of the area are now being altered and should be on sale in about two weeks' time. In the meantime details of the route have been sent out by radio and Notice to Mariners.

Safe navigation

A CONFERENCE on 'The Problem of Safe Navigation in Confined Waters' was held in the lecture hall of the Royal United Service Institute, London, on May 11. It was organized by the Electronic Engineering Association, under the chairmanship of Captain R. A. Villiers, director of the association.

The object of the conference was to demonstrate that the electronics industry, by drawing on its considerable expertise, had a significant contribution to make in this field.

The speakers were: Captain E. O. Jones (Shell International), Mr. B. N. Steele (National Physical Laboratory), Captain D. S. Tibbits (Trinity House) and Captain A. C. Manson (Department of Trade and Industry).

Subjects discussed included radar surveillance and radio reporting procedure; traffic flow and lane discipline; training and competency of ships' officers; collision prevention measures; correct reading and interpretation of information provided by instruments; and the possibility of a multi-point VHF network operated by HM Coastguard.

The Merchant Shipping (Pilot Ladders) (Amendment) Rules 1971

THE ABOVE Statutory Instrument was laid before Parliament on May 10. The amendments come into operation on July 1, 1971. These rules amend provisions of the Merchant Shipping (Pilot Ladders) Rules 1965, which specify safety requirements for pilot ladders and for appliances designed to ensure safety in their use. The principal change made is the imposition of new requirements as to the means to be provided to enable pilots to pass safely between the head of the pilot ladder and the ship. Other amendments relate to the construction of pilot ladders and the position in which they are to be secured when in use. Copies of the Rules can be obtained from HMSO price 3p (5½p inclusive of postage).

A symposium on hazardous cargoes at sea

THE GOVERNMENT is 'anxious to see resonable and practical action taken as quickly as possible' to control the growing dangers of transporting hazardous cargoes by sea. This was stated on May 11 by Mr. Anthony Grant, Parliamentary Under-Secretary of State, when he formally opened the Second International Symposium on the Transport of Hazardous Cargoes by Sea, held in York from May 11 to 13.

Mr. Grant said: 'As a government we are anxious to see reasonable and practical action taken as quickly as possible. There has been a tremendous increase in the volume of world trade in dangerous goods, particularly chemicals, over the past few years. This is only natural because of the continuing improvement in our living standards. Our demand for goods of all kinds is increasing all the time and the demands of industry for the basic materials increase in proportion. One can look around any home and identify the many articles which involve the use of dangerous chemicals at one stage or another during their manufacture. I think it is true to say that the extent to which we rely on such substances in our everyday life is not as fully appreciated as it ought to be. The pattern of the trade is also changing. We now see the bulk carriage of a wide range of chemicals and gases which have seen a significant rise in a relatively short time. The container revolution had its own particular implications for dangerous goods.

'An incident involving certain highly hazardous chemicals or gases could be disastrous over a restricted area and international work on dangerous goods is now taking more closely into account the "environmental hazards" in addition to the immediate dangers to ship and crew. This is perhaps of most relevance in relation to bulk carriage where large amounts of hazardous materials could escape into the sea or river and surrounding atmosphere as a result of an incident. It is, therefore, most encouraging to see that the IMCO Code relating to bulk chemical tankers has recognised these dangers and included provisions which are designed to preclude spillage or escape of the more hazardous chemicals in the event of certain degrees of collision or stranding. Additionally, some attention has been given to the limitation of cargo size in order to limit the amount of cargo which would escape in the case of major incidents and a more detailed study of this particular aspect is promised for the future. I see that certain of the papers to be presented to you this week deal specifically with environmental problems.

'The United Kingdom has had its share of particularly serious environmental incident relating to shipping and, following the 'Torrey Canyon' disaster, a thorough study was made of the Government machinery dealing with pollutants including hazardous cargoes. As a result of this study, the two advisory committees within my Department dealing with the carriage of dangerous goods by sea in packaged form and in bulk have been given widened terms of reference to enable them to consider what modifications are required to current practices and procedures to ensure the highest possible level of protection to the environment. As I have mentioned, similar consideration is now being given to such problems on an international basis and I am sure that our national deliberations in this respect will enable us to make a positive contribution to future inter-governmental negotiations and discussions.

'One subject that has already been raised within the United Kingdom is the question of precautions over and above those relating to good packaging and sound ship construction about which I have spoken. Whilst these are an obvious and sound starting point for maximum safety in all its aspects, it may be that there are certain substances carried by sea which are so highly hazardous that extra precautions are deemed necessary to augment high standards of containment. Such additional precautions might take the form of agreed routeing for certain vessels in confined, restricted or congested waterways together with other internationally agreed precautions over and above those which exist at present. No doubt consideration will be given to such matters as international discussions on hazardous cargoes progress. If any measures along these lines are to be implemented, international co-operation of the highest order will be required.'

Note:

The Symposium was organized jointly by the Chamber of Shipping of the United Kingdom, the Chemical Industries Association and the Dock and Harbour Authorities Association.

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RB211—Government finance and a price increase

THE FOLLOWING statement on the RB211 aircraft engine was made in Parliament on May 10 by the Minister for Aerospace, Mr. Frederick Corfield:

'As the House knows, Her Majesty's Government and Rolls-Royce (1971) Ltd. have been in negotiations with the Lockheed Aircraft Corporation for the supply of the RB211 engine to power the Lockheed TriStar aircraft. We have also had discussions with the United States Government.

'Negotiations with the Lockheed Aircraft Corporation have been in two parts. First, Her Majesty's Government have agreed with the Lockheed Corporation to finance Rolls-Royce (1971) Ltd. in the development and production of the engine and to enable it to maintain the necessary support facilities throughout the life of the engine – provided that we can be satisfied that there is sufficient support to enable the TriStar project to be completed.

'For its part the Lockheed Corporation has agreed to a substantial increase in the price of the engine, equivalent to some £50 million for the first 555 engines, and to annual penalties under the old contract for delay in delivery of the engine.

'On that basis Rolls-Royce (1971) Ltd. has been negotiating a new contract with Lockheed Aircraft Corporation, which is on the point of agreement. The new contract will be governed by English law.

'Because the RB211 has been designed for the TriStar and there is at present no other significant market for it, it was clearly necessary, as part of the contract negotiations, to be sure about the future of the TriStar project itself. Given the risks involved in large aviation projects and the known problems of Lockheed, it is clear that effective support for financing the TriStar project can only be provided with the assistance of the United States Government just as support for the RB211 engine can be given only by Her Majesty's Government.

'The United States Administration have now announce that they are seeking authority for the United States Congress to guarantee up to $250 million additional credits for Lockheed which amount they anticipate will be sufficient to assure the continuity of the TriStar project. Before providing such guarantees the Administration will, of course, have taken steps to satisfy themselves that the other requirements for the completion of the project are met.

'The main outstanding point here is that it will be necessary for both Governments to be sure that the airline customers will still buy the TriStar, notwithstanding the delay and the increase in price. Representatives of Lockheed and the airlines are meeting in London at this moment with Rolls-Royce (1971) Ltd. for detailed discussions on this point and on the arrangements for completing the RB211 project.

'Meanwhile, Her Majesty's Government are continuing to finance work on the RB211 engine and the Department of Trade and Industry is discussing with Rolls-Royce (1971) Ltd. arrangements to provide the company with the finance it will need to give effect to the agreement with Lockheed. This will involve some £100 million for completion of the development of the engine: to the extent that costs are not covered by the price increase which Lockheed has agreed there will have to be additional support for initial production engines. Against these costs we must of course set those which would be incurred if the project did not continue and the profit arising from the sale of spares.

'The House will appreciate that there are still problems to resolve before we can be sure that RB211 will go ahead. Her Majesty's Government have done everything that they can to establish a basis for agreement that is acceptable to all concerned. In particular they have kept RB211 going, and will continue to do so, in the expectation of a satisfactory agreement. An early decision from the other parties is a matter of increasing urgency. Meantime, the House will appreciate that delicate and complex negotiations still continue.'

INDEX OF REGULAR STATISTICS

When did Trade and Industry *last publish an article on the chemical industry? Which issue gives the latest figures on United Kingdom overseas trade, engineering production, hire purchase, wholesale prices, etc.?*

An index of the date on which all regular statistical articles were last published will be found on the page following contents page.

Mr. Geoffrey Stallibrass, Controller, NATCS, recently welcomed a group of Members of Parliament at the London Air Traffic Control Centre, West Drayton, in order to describe the new Mediator system, and give them a tour of the operations room and equipment areas. The group included: Mr. James Allason (Hemel Hempstead), Mr. James Hill (Southampton/Test), Mr. Leslie Huckfield (Nuneaton), Mr. Cranley Onslow (Woking) and Mr. Nigel Spearing (Acton). This picture shows the MPs with Mr. Stallibrass (centre) and Mr. Tom McWiggan, Director-General Telecommunications, watching a team of controllers at one of the new Mediator suites.

Rolls-Royce (1971) Limited

THE MINISTER for Aerospace, Mr. Frederick Corfield, announced in Parliament on May 10 that the assets required by Rolls-Royce (1971) Ltd. to ensure continuance of those activities of Rolls-Royce which are important to our national defence to our collaborative programmes with other countries and to many air forces and civil airlines all over the world and to ensure continuance of the Marine and Gas Turbine Divisions are to be transferred from the Receiver and Manager of Rolls-Royce Ltd. to Rolls-Royce (1971) Ltd. as from midnight on Saturday May 22, 1971.

The new Company started its operations on March 17, but these mainly concerned selling functions. The transfer of assets referred to above will mean that Rolls-Royce (1971) Limited becomes fully operational and arrangements are being made for the employees concerned to come on to its pay roll. About 63,000 people are employed in the company's four operating divisions based at Ansty, near Coventry, Bristol, Derby and Leavesden, near Watford, Herts., with the registered office in London. The turnover in the first year is expected to be approximately £250 million.

The new company is a company limited by shares incorporated under the Companies Acts 1948-1967 and at present all its shares are owned by the Government. The company will determine its commercial policies and will be expected to operate as a profitable commercial undertaking.

The Directors of Rolls-Royce (1971) Limited are: Lord Cole (Chairman), Mr. I. T. Morrow (Deputy Chairman and Managing Director), Mr. H. G. Conway (Executive Director (Operations)), Dr. S. G. Hooker (Technical Director), Sir William Cook, Sir St. John Elstub, Marshal of the Royal Air Force Sir Charles Elworthy, Mr. G. W. H. Richardson and Sir Arnold Weinstock.

Current RB211 engine position

Negotiations with the Lockheed Aircraft Corporation and customer airlines are well advanced and the outcome will depend largely on confirmation of airline orders and assurances which will be given at Government level. Meanwhile work on the RB211 engine was continued when Rolls-Royce went into receivership on February 4, with the British Government indemnifying the Receiver for the costs involved. The engine programme was revised and discussed with Lockheed and the airlines which have ordered TriStars. This will permit Lockheed to deliver RB211-powered TriStars to the airlines in April next year, six months later than originally scheduled.

Development of the RB211 engine has continued in accordance with this programme and engines of improved performance are being delivered to Lockheed for the TriStar flight-test programme.

Two aircraft are now engaged in flight trials and a third will join the programme later this month. Engines for airline service are scheduled for delivery early next year.

Background note:

When Rolls-Royce Limited went into receivership on February 4, 1971, the Minister of Aviation Supply announced in the House of Commons that 'to ensure continuity of those activities of Rolls-Royce which are important to our national defence, to our collaborative programmes with other countries, and to many air forces and civil airlines all over the world, the Government have decided to acquire such assets of the aero engine, and marine and industrial gas turbine divisions of the company as may be essential for these purposes.' To this end Rolls-Royce (1971) Limited was registered on February 23 and the board was announced the same day.

On March 17 Heads of Agreement covering the purchase of Rolls-Royce assets were signed between the Receiver and Manager of Rolls-Royce Limited, Rolls-Royce (1971) Limited, and the Government. The agreement provided for payment of a fair price by negotiation between the parties with provision, in the event of disagreement, for reference to an expert assessor.

The new company has not taken over the motor car and diesel engine activities of Rolls-Royce Limited. These have been combined in a separate company, Rolls-Royce Motors Limited, which has been operated by the Rolls-Royce Receiver and Manager since April 24.

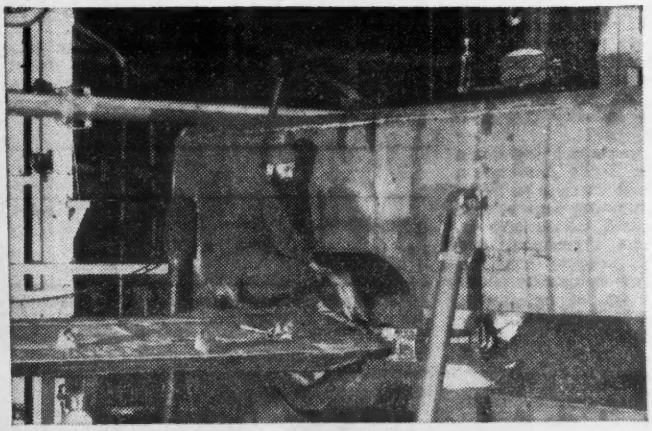
N.E. Scotland Air Survey

THE NORTH EAST Scotland Development Authority have announced that very soon a research study will begin into the use being made of air passenger and freight transport to and from North East Scotland. The study will examine not only the use made of present air services, but the potential for improvements and modifications which may be discovered after the research material has been computerized and the total results examined.

The study will be carried out by Aberdeen University Department of Geography in association with the North East Scotland Development Authority and with the co-operation of BEA (Scottish Airways Division), Air Anglia and Aberdeen Chamber of Commerce.

Peterhead coastguards win shield for best rescue

THE COASTGUARD SHIELD for the most meritorious wreck service of 1970/71 has been awarded to the Peterhead Coastguards for the rescue of the crew of the Danish trawler 'Gerd Neilson' on October 22. This is the fourth successive time that the Coastguard Shield has been won by Scottish Coastguards.



A ship stabilizer fin unit nearing completion in the Linthouse works of Alexander Stephen Engineering Ltd. of Glasgow. Stephens have received orders from Sperry Rand for a number of ship stabilizer fin units for cruising, ferry and LASH vessels under construction in East Germany, Belgium, Holland and Japan. These units will form part of Sperry Gyrofin ship stabilizer systems for which Sperry have recently won contracts worth £1.5 million.

TRAINING IN BANKING INSURANCE & FINANCE

Traditionally staff training in banks, insurance groups and finance houses has been of a fairly narrow kind. Recently, however, it has become more widely recognised that maximum profitability in these organizations depends not only on informed and skilful management, but also on a broad spectrum of employee expertise and special knowledge.

LRS Publishers Ltd., has organized a two-day conference designed to examine the basic problems of staff training in this complex field, and to suggest some guidelines towards their solution.

THIS TWO-DAY CONFERENCE WILL BE HELD AT THE PORTMAN HOTEL, 22 PORTMAN SQUARE, LONDON, W.1

JUNE 3rd and 4th, 1971

Telephone inquiries: 01-602 0991

SPEAKERS:

C. E. Haines, U.K. Staff Training Manager, Barclays Bank, D.C.O.

Professor George Clayton, author of 'Banking in Western Europe' and 'Insurance Company Investment Policies – Principles and Practice'.

E. Hibbs, Training Officer for Forward Trust.

J. G. Stewart, C.B.E., who, while at the Ministry of Labour, was concerned with the passing of this law.

Professor Gordon Borrie, author of 'Mercantile Law' and expert on banking law and practice.

Norman Fisher, Chairman of the Printing and Publishing Industrial Training Board.

SEMINAR DISCUSSION GROUPS:

Attenders will be divided to consider the following topics:

(a) Should a banking and finance training board encourage organizations to engage in training instead of itself undertaking main resonsibility for training?

(b) How successful are training facilities presently available?

(c) Are bank employees and the staff of finance and insurance companies sufficiently informed about the law governing transactions they undertake?

(d) Are there connections between training, promotion and staff retention?

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NAME DESIGNATION

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Company and Address:.....

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Tel. No.: .....

Parliamentary Answers

Below is a selection of Parliamentary Answers of interest to trade and industry

MONDAY, MAY 10

Super-conducting electric motor

Mr. Frederick Corfield, Minister for Aerospace, was asked what progress was being made in the industrial application of the super-conducting electric motor developed at Newcastle-upon-Tyne, under the sponsorship of the National Research Development Corporation. He answered: 'Last month, this motor successfully completed its first run at full power at Fawley power station, Southampton, where it is still in service. Other applications at home and abroad are being considered by NRDC with the International Research and Development Company Ltd. who developed the motor.'

Regional Employment Premium

Asked what further representations he had received in connection with the decision not to continue payments of regional employment premium after 1974; and what replies he had sent. Mr. Anthony Grant, Parliamentary Under-Secretary of State for Trade, said: 'I can trace only one letter to which I replied that REP was expensive, wasteful, and had not lived up to the claims made for it when it was introduced.'

Mr. Grant was also asked what recent estimate had been made of the effects of the new regional policies on the levels of unemployment; and how soon he expected the full results of those policies to be effective. 'No system of regional incentives could yield measurable results in the space of six months,' answered Mr. Grant. 'Progress will depend on the co-operation of all in creating conditions for sound national economic growth.'

Industrial development

Mr. Grant answered questions on industrial development in the north-east of England, the Northern Region, Scotland, Mid-Wales, Cardiganshire, the Gunnislake district, Newton Aycliffe, Corby and Birmingham.

European Economic Community

Mr. John Davies, Secretary of State for Trade and Industry was asked what evidence he had to show that the tariff advantages British industry enjoyed in the Commonwealth were being eroded independently of any changes that might be attributed to our joining the European Economic Community. 'Reductions in tariff preferences resulting from multilateral tariff negotiations, increases in protective rates and other changes in national tariffs,' replied Mr. Davies.

Mr. Grant was asked if, in the event of Great Britain joining the European Economic Community, British industry would have the opportunity to discuss with parallel organizations in the Community the social problems of industrial development within the European Community. 'Any organization representing British industry is free now to discuss these matters with its opposite number in Europe,' he answered.

A Member asked Mr. Grant if he had assessed the consequences of Great Britain's trade with the developing countries of the decision by the European Economic Community to introduce a generalized preference scheme in favour of the developing countries on July 1 this year. Mr. Grant replied that the generalized preference schemes of the European Economic Community and of other OECD countries were intended to increase trade with developing countries, which should benefit the developed countries including the United Kingdom. The agreed aim was to bring all the schemes into effect during this year.

Trade Descriptions Act

In answer to a request to list the powers which weights and measures department of local authorities have to investigate complaints concerning gold and silver articles, since the coming into force of the Trade Descriptions Act 1968, Mr. Nicholas Ridley, Parliamentary Under-Secretary of State for Industry, said that Section 28 of the Act conferred powers of entry, inspection and seizure for ascertaining whether offences against the Act – including false indications of testing, approval, composition and date of manufacture – had been committed.

Australian sugar

Stating that the exclusion of Queensland, Australia from any agreement on sugar negotiated with the European Economic Community would have serious consequences for the world free market price for sugar a Member asked Mr. Grant if the Secretary of State would seek in the EEC negotiations to secure separate arrangements. Mr. Grant answered that the Secretary of State had said on April 22 that proposals had been put to the Community on the treatment of Australian sugar during the transitional period. These proposals took account of the world market situation and other factors appropriate to this particular case.

Hallmarking

A Member asked Mr. Ridley when it was intended to implement the recommendations of the 1959 Board of Trade Departmental Committee on Hallmarking. Mr. Ridley answered: 'We are at present awaiting comments from interested parties on a consultative document setting out proposals for a new hallmarking law. I cannot however say when it will be possible to introduce legislation.'

European Free Trade Association

Mr. Grant was asked to make a further statement on the representations made to the Scandinavian members of the European Free Trade Association concerning their competition with the British paper industry. He said: 'The representations already made to the governments concerned have not yet produced any positive result. In the light of recent developments we consider that the matter must be pursued further and we are considering urgently with the British industry the most effective way of doing so.'

Answering a question on steps being taken within the European Free Trade Association countries to reduce non-tariff barriers to trade, Mr. Davies said: 'EFTA is doing a great deal of useful work in this field particularly in regard to technical barriers. Agreements for reciprocal recognition of national tests on pressure vessels and ships equipment have recently been signed and similar agreements for gas appliances and agricultural machinery are in course of preparation.'

Companies' donations to political parties

An inquiry about the latest date by which companies which made donations to political parties before June 18, 1970 must report them to the Companies' Office, was answered by Mr. Davies, who said: 'In the normal case, 10½ months, or if the company has interests abroad 13½ months, after the end of the financial year of the company in which the donation was made.'

Trade with EEC

A Member who asked what proportion of British exports went to the European Economic Community and the Commonwealth, respectively, in 1967, 1968 and 1970, was told by Mr. Grant that exports to the European Economic Community accounted for 20, 20 and 22 per cent, respectively, and to the Commonwealth 24, 22 and 21 per cent, respectively.'

Mr. Grant was also asked what was the value of textile goods imported into the United Kingdom from the present Common Market countries in the last two years for which figures were available; and what increase was anticipated if Great Britain joined the Common Market. 'Figures are published in Volume II of the Annual Statement of Trade for 1969 and in the December 1970 issue of Overseas Trade Statistics,' replied Mr. Grant. 'I should prefer not to venture a forecast of the effect of joining the Common Market on imports of textile goods.'

United Kingdom trade

Mr. Grant, replying to a question, said that the proportion of Great Britain's export trade with the sterling area in 1967 was 30 per cent and in 1968, 1969 and 1970 28 per cent.

Mr. Grant was asked to make a statement about recent trends in trade with the USSR. He said: 'Our trade with the Soviet Union has been expanding in recent years and reached a record total of £322 million in 1970 but there has been no increase in the level of our exports since 1968. This gives some cause for concern.'

In reply to another question: by how much Great Britain's exports to North America and the European Economic Community, respectively, had changed in 1970 in comparison with 1969, Mr. Grant said that they increased by 1 per cent and 15 per cent respectively.

Mr. Grant told a Member who asked for figures showing the exports to Czechoslovakia from the United Kingdom, France, the Federal Republic of Germany and Italy in 1965 and 1970, respectively, that the information was published by the OECD in 'Statistics of Foreign Trade, Series A'. The figures showed that exports from the United Kingdom had increased more slowly than from France, Germany and Italy.

The steel industry

Asked if he would make a statement about the financial structure of the steel industry, Mr. Davies said: 'No. I hope to make a statement soon on my review of the Corporation's short-term financial position, but this is not a matter of financial structure'.

A Member asked Mr. Ridley what total tonnage of steel was produced by the British steel industry in each of the years 1939, 1949, 1959 and 1969, and was given the following information:

	U.K. crude steel production
	Million tons
1939	13·22
1949	15·55
1959	20·19
1969	26·42

Asked to say what productivity increase the British steel industry had achieved in the last 25 years, Mr. Ridley said that in the 22 years to 1970 (a period for which statistics are readily available) United Kingdom steel output per man increased by 60 per cent.

Export of steel scrap

In answer to a question on the quantity of steel scrap exported in the first quarter of 1971 and the proportion of these exports which went to the Common Market countries, Mr. Ridley said: '60,500 tons of ferrous scrap; and 47 per cent respectively.'

White Paper on Metrication

Mr. Ridley was asked if the White Paper on Metrication would tabulate those industries and activities which had now adopted metric units and standards in which to reverse the transition would be to increase costs and cause confusion; and if the area would be indicated where the transition could be slowed down and old units retained without causing added costs and confusion. Mr. Ridley answered: 'No, Sir, this would not be practicable, but much of the information my hon. Friend seeks on the rate of progress of different industries can be found in the recently published Report of the Metrication Board. The White Paper will give the Government's policy in regard to metrication.'

In reply to another question Mr. Davies said that he could not yet give a firm date for the publication of the White Paper on metrication but he hoped to be able to publish it soon.

Rolls-Royce Ltd.

A Member asked Mr. Corfield if he could enumerate those constituent parts of Rolls-Royce Ltd. which it was not intended should become part of Rolls-Royce (1971) Ltd.; and which of them had been offered for purchase. Mr. Corfield said: 'I cannot give full details but the main elements not being taken over by Rolls-Royce (1971) Ltd. are the Motor Car and Oil Engine divisions and a number of share holdings in subsidiary and associated companies. Disposal of the parts of Rolls-Royce Ltd. not to be taken over by Rolls-Royce (1971) Ltd. is a matter for the Receiver.'

Mr. Corfield was also asked at what date he expected offers to be entertained for the purchase of the motor car division of Rolls-Royce Ltd.

'Disposal of the motor car division of Rolls-Royce is a matter for the Receiver,' he answered.

Nuclear power stations

Members asked what estimate had been made of the cost benefit which would be secured by authorizing the construction of the second phase of the Heysham Nuclear Power Station as an integrated project with the current phase as compared with authorizing a similar project in another location, and for which sites the Central Electricity Generating Board held planning permission for a nuclear power station where the Secretary of State had not authorized construction; for which sites in respect of which he had authorized construction work had begun or tenders been invited; and for which sites for which he had authorized construction tenders had not yet been invited. Mr. Ridley, replying, said: 'Subject to approval of their general programme of capital expenditure it is the responsibility of the CEGB to decide whether to develop the whole or part of the capacity for which they have consent to use a particular site. The only nuclear site for which consent has been given where the CEGB are at present constructing the first stage of a two-stage station is Heysham. The only other site with consent for a nuclear station is Sizewell B and the CEGB have deferred until next year their decision about placing the main plant contracts for this station.'

Mr. Ridley was also asked what recent developments there had been in collaboration with other European countries on nuclear energy matters, and replied that no special developments had taken place. Satisfactory progress was being made with the establishment of the tripartite centrifuge companies and with the Euratom negotiations.

Questions were asked about discussions about changes in the types and construction of future nuclear power stations.

'Together with the Generating Boards, the Atomic Energy Authority, and the nuclear design and construction companies, we are examining the choice of thermal nuclear reactors for further development in this country,' Mr. Ridley said.

RB211 engine

Mr. Corfield was asked to what extent his assessment of the performance of the RB211 engine coincided with that given by Mr. John Connally, Secretary to the Treasury, in evidence to the United States Senate. He answered: 'I agree with Mr. Connally's assessment, although the RB211 will come into service later than its competitors.'

Queen's Award to Industry

'How many Scottish firms were awarded the Queen's Award to Industry in the years 1966, 1967, 1968, 1969 and 1970? asked a Member. Mr. Davies replied: '10, 7, 4, 6 and 3 respectively. There is no quota of Awards for any particular area. Each application is considered on its merits.'

Conversion to natural gas

Mr. Ridley was asked to make a statement on progress being made on conversion of consumers' appliances to natural gas. He said: 'The programme is on target. Nearly 10 million appliances belonging to more than 3½ million consumers have so far been converted.'

Prices of coal

Mr. Ridley was asked what action was intended, following the publication of the National Board for Prices and Incomes Report 153, Coal Prices. He said: 'Most of the report concerns matters of primary concern to the National Coal Board and I have no doubt they will take suitable account of what it says. I shall do the same so far as I am responsible.'

Import of coal from South Africa

Mr. Ridley, answering a Member who asked what was the total tonnage and value of imported coal from South Africa since the lifting of the ban, November 12, 1970 to March 31, 1971, said: '3,000 tons valued at £57,000 for the period December 1970, the month in which the restrictions were removed, to March 1971 inclusive.'

BS 9000 scheme for electronic components

Mr. David Price, Parliamentary Under-Secretary of State for Aerospace, was asked if he was satisfied with the present working of the BS 9000 system of quality assurance and inspection for electronic equipment; and if he would make a statement. Mr. Price answered: 'Yes. The BS 9000 Scheme for electronic components is being implemented by the British Standards Institution, with Government support, and is making good progress.

'The administrative framework of the Scheme is complete and is working well. So far, 42 manufacturers, 13 distributors and eight test laboratories have been approved and about another 50 firms have applied for approval.

'The Scheme is already being used wherever practicable for defence procurement and for procurement by several of the nationalized industries. Government specifications for electronic components are progressively being withdrawn as specifications issued under the BS 9000 Scheme become available.'

The Shirley Institute

Mr. Ridley was asked what steps were proposed to ensure that after the winding-up of the Textile Council the Shirley Institute was in receipt of adequate funds to enable it to carry on its work. 'The Shirley Institute's future lies in the hands of the textile companies,' he replied, 'I understand that it is examining the question urgently.'

Supervision of insurance companies

Mr. Davies was asked whether, and to what extent, the Department of Trade and Industry kept a check on the financial situation of non-insurance companies within commercial groups which included one or more insurance companies. Mr. Davies said that in exercising supervision over insurance companies carrying on insurance business in Great Britain, all relevant factors were so far as possible taken into account. If it appeared that the affairs of an insurance company were likely to be adversely affected by the financial situation of a parent or fellow subsidiary this would be taken into account.

A Member asked Mr. Davies under what statutory authority he based his refusal to take action to enforce the Companies Act when, as in the case of the Dollar Land Company Ltd., signed evidence submitted by the directors of the company that they had broken the Act for several years had been submitted to his department. 'The Companies Acts permit the Department to decide whether action which it has power to take would in the circumstances of a particular case be appropriate,' Mr. Davies replied.

In answer to another question, Mr. Davies said that he considered an application for investigation into Dollar Land Holdings vexatious on the ground that the matters specified in the application, which was made under Section 172 of the Companies Act 1948, had no relevance to the purpose of the Section.

Mr. Davies was asked on how many occasions he had received requests for action under the Companies Act concerning Three Ways Nurseries Ltd., Hartley Baird Ltd., Hide Brown Ltd., Equitable Industrial Scotland Ltd., De Vries Industrial Diamonds, Daws Ltd. and Mias Ltd.; and what action he took in each instance. He replied: 'It is not possible without an undue expenditure of time to provide the information asked for in the first part of the question. We are still pressing Three Ways Nurseries Ltd. for their 1969 accounts. The Hartley Baird Ltd. matter is again under consideration by the Parliamentary Commissioner for Administration. Equitable Industrial Company of Scotland Ltd. and Hide & Co. Ltd. were the subject of inquiries by inspectors. The report on Hide & Co. Ltd. was published. Winding-up orders were made against De Vries Industrial Diamonds Ltd., Daws Ltd. and Mias (Holdings) Ltd. and their affairs were investigated by the Official Receiver.'

Answering questions on the Tulketh Group, Mr. Davies said: 'In matters of this kind no useful purpose is normally served by publishing an analysis of information reaching my Department, some of which must in any case be treated as confidential. I do not regard this case as an exception to that general principle.'

Mr. Davies was also asked what steps were taken by the DTI to preserve the employment of the employees of the Tulketh Group prior to the appointment of a receiver. He answered that the wool industry had been undergoing a process of rationalization necessary to meet changing trading conditions. The process was foreseen by the Wool Textile EDC and had not yet run its course. It would be contrary to Government policy and a disservice to the industry, which had a substantial future, to seek to intervene in this rationalization process.

Asked what steps he was taking to limit the spread of unemployment in the Yorkshire region, following the decision to appoint a receiver for the Tulketh Group and other closures, Mr. Davies said: 'The Yorkshire region, including the wool textile industry, will benefit from the general economic measures which the Government has announced.'

(Continued on next page)

Trade missions

Mr. Grant was asked to list in the Official Report the officially approved trade missions that have had to postpone their visits abroad because of the reduction in financial aid to be given by the DTI during 1971. 'None of the missions that have received formal approval from BNEC by April 7, when the announcement about the new arrangements was made, have had to be postponed,' said Mr. Grant. 'A number of sponsoring bodies, who have been in touch with BNEC about missions during 1971, have been asked to defer their proposals.'

In reply to a question on orders gained by Scottish trade missions in 1966, 1967, 1968, 1969 and 1970, and on future policy concerning these trade missions, Mr. Grant said: 'It is impossible to put a precise figure on orders gained by Scottish trade missions in 1966, 1967, 1968, 1969 and 1970. I expect such missions to continue, but on a more selective basis, to enable the overall cost to be contained within the proposed financial provision.'

Exports: information service and overseas buyers

Lord Drumalbyn, Minister Without Portfolio, was asked whether HM Government intended to advertise to overseas buyers in foreign countries the existence of the Department of Trade and Industry's Computerized Export Information Service as a means of getting in direct touch with British suppliers of the goods which they require. He answered that some advertising had already been undertaken on this subject on an experimental basis in Western Germany, Sweden, the Netherlands and Australia. Its effectiveness was still being assessed, and its continuation in these four countries and its extension to other selected markets would be considered when the results had been fully analysed.

TUESDAY, MAY 11

Trade with Warsaw Pact countries

Answering a question on the value of British trade with those countries which are members of the Warsaw Pact in each of the last five years, Mr. Grant gave the following information:

	£ million	
	Imports c.i.f.	Exports f.o.b.
1966	241	151
1967	254	175
1968	303	230†
1969	331	230
1970	364	258

† Excludes exports to Poland amounting to £9½ million for which export documents were not submitted in time for inclusion in the published trade statistics.

WEDNESDAY, MAY 12

UNCTAD Generalized Trade Preferences Scheme

A Member asked Mr. Grant to publish a list of those Commonwealth developing countries at present offering reverse preferences to United Kingdom exports, who might thereby be prevented from benefiting from the United States offer under the United Nations Conference on Trade and Development Generalized Trade Preferences Scheme, showing in each case the value of trade in both directions between the country concerned and the United Kingdom and with the United States. Mr. Grant gave the following information:

Commonwealth developing countries giving preferences to certain United Kingdom exports	1970 United Kingdom		1970 United States	
	Imports £ million	Exports £ million	Imports US $ million	Exports US $ million
India	106·0	72·9	298·1	571·6
Pakistan	35·3	49·2	80·2	325·3
Ceylon	36·6	18·5	26·4	12·3
Malaysia	46·6	60·4	270·2	66·2
Singapore	33·5	62·5	81·1	238·7
Brunei	0·0	2·9	N/A'	N/A
Fiji	10·2	6·1	N/A	N/A
Western Samoa	0·1	0·3	N/A	N/A
Malawi	12·1	8·0	1·9	5·0
The Gambia	4·1	2·1	0·2	0·4
Swaziland	9·4	0·4	0·4	5·3
Lesotho	0·0	0·1		
Botswana	3·2	0·4		
Mauritius	22·5	5·9	2·2	4·9
Jamaica	27·5	38·2	185·7	217·4
Barbados	6·8	12·0	8·8	21·2
Trinidad and Tobago	19·3	28·1	235·6	84·0
Guyana	12·6	14·9	43·2	24·6
Cyprus	20·4	26·1	1·2	8·4
Malta	5·8	25·7	1·3	5·6

N/A = Not available

In addition, United Kingdom goods enjoy preferences in a number of dependent territories and associated states for whose external relations we are responsible.

Mr. Grant was also asked what negotiations were taking place between the United Kingdom and developing Commonwealth countries which at present offer reverse preference to permit them to benefit from the United States of America offer of Generalized Trade Preferences under the UNCTAD scheme. Mr. Grant said that there had been discussions with most of the Commonwealth countries concerned about the implications for them of the United States offer of preferences, the terms of which have still to be announced.

In answer to a request for a table showing, for the most recent convenient year, for each of the Commonwealth developing countries offering reverse preferences to the United Kingdom exports benefiting from such preferences, Mr. Grant said: 'The information is not available in this form but I estimate that in 1970 something over £200 million of United Kingdom exports to Commonwealth developing countries benefitted from some margin of preference. I shall send the hon. Member what additional information I have.'

Paper and Board industry

Remarking that in 1960 the United Kingdom consumption of paper and board was 5.2 million tons whereas in 1970 it had increased to 7 million tons, an increase of 34 per cent in 10 years a Member asked Sir John Eden, Minister for Industry, why during this period imports were allowed to reach 35 per cent of total requirements when British home production, which could have supplied these needs, was run down to the detriment of Great Britain's workers and balance of payments; and what action he proposed to take to change this situation. Sir John answered: 'I am aware of the situation described by the hon. Member. It arises because under successive Governments, purchasers of paper and board have been free to exercise their commercial judgment in placing their business. As my hon. Friend said in his reply on May 3, following discussions with the industry about the trading practices of certain Scandinavian countries, we have decided to raise the matter with these countries again.'

English Tourist Board

In answer to a request to increase the annual grant to the English Tourist Board for the improvement of tourist facilities, Mr. Grant said that the grant-in-aid proposed for the English Tourist Board for 1971/72 represented a substantial increase over that for the previous year. It included £500,000 for the new measures of assistance to tourist projects in Development Areas.

Investigations of companies

A Member aked Mr. Davies whether he would move for a tribunal of inquiry into the maladministration and neglect upon the part of the DTI in failing to carry out its statutory duties in an expeditious and efficient manner, as laid down under the Companies Act, with particular reference to the Dollar Land Company Ltd., Three Way Nurseries Ltd. and Hartley Baird Ltd. 'No. I do not accept the hon. Members' assumption that there was maladministration and neglect,' replied Mr. Davies.

Mr. Davies was also told that 3,000 investors invested £4 million in the Agricultural Investment Corporation Ltd. with offices in Green Street, Park Lane, London, W.1, and were unable to get the return of their money, and that the company had issued no balance sheet for over a year; and was asked whether, in view of the details submitted to him by the honourable Member for West Ham, North, he would have this company and its associate, Investors Financial Management Corporation, investigated under the Companies Act. Mr. Davies said: 'I assume the hon. Member is referring to Agri International UK Ltd. and I can assure him that its affairs have not escaped our notice. No trace can be found of the registration or of business activities in this country of the other concerned referred to by the hon. Member.'

Questions were asked about the Pinnock Organization. Mr. Davies was asked when his Department were first requested to investigate the affairs of the Pinnock Organization; what action was taken and with what results; when, and on how many occasions action was requested, and on what dates; and whether he would make a statement on why the law, as laid down by statute on his Department was not acted upon.

Mr. Davies replied: 'No formal application for an investigation can be traced in my Department. We became aware of a complaint by a depositor in April 1967. As a result of inquiries by my Department and the dismissal by the court on July 31, 1967 of a petition for the winding-up of Pinnock Finance (Great Britain) Ltd. my Department on August 1, 1967 appointed inspectors to investigate the company's affairs. In September 1967 the inspectors were similarly appointed with regard to associated companies. I do not accept the imputation in the last part of the second question.'

In reply to a request for a full and detailed statement giving for as far back as possible the number of occasions upon which his department had been asked to take action or investigate companies and their affairs; the dates when such applications were made and on how many different occasions were renewal applications made, and what action was taken by his Department in each instance and with what results, Mr. Davies said: 'I would refer the hon. Member to the answer which was given to him on May 3 about requests for investigations. It is not possible without a disproportionate expenditure of time and effort to give the information for which the hon. Member asks.

In answer to a suggestion that he should have an investigation made to ascertain to what extent the loss of £9 million to the general investing public by the Pinnock affair was due to a failure upon the part of his Department to act expeditiously in accordance with the obligations laid upon them by statute, when requested to do so by shareholders and others connected with the Pinnock Organization, Mr. Davies said: 'No. I do not accept that there has been any such failure on the part of my Department.'

THURSDAY, MAY 13

Tourist trade

'Earnings from overseas visitors are estimated to have been £433 million,' said Mr. Grant in reply to a question.

Refinery at Portencross

Stating that Chevron Oil (United Kingdom) Ltd. had an application before the appropriate planning authority for a major oil refinery development at Portencross, Ayrshire, which would create up to 2,000 construction jobs in the short term and a substantial number of permanent jobs in the long term; a Member asked Sir John Eden what was his policy towards the siting of this refinery at Portencross. Sir John replied: 'I am aware of the application to build a refinery at Portencross but it is for my right hon. Friend, the Secretary of State for Scotland to decide whether the application should be granted under his planning powers.'

Trade with EEC

A Member asked Mr. Grant to estimate the extent to which French exports will grow as compared with British exports on the present known terms of entry to the European Economic Community. Mr. Grant said that he would prefer not to venture numerical estimates which could not be precise, but he had no doubt that entry into the EEC would lead to a substantial growth of trade in both directions between ourselves and France.

Fatalities in coal mines

Sir John Eden was asked what was the number of fatalities in coal mines in the Northumberland, North Durham and South Durham areas of the National Coal Board for each of the last 10 years; and what were the number for the whole of Great Britain for the same period. He said the National Coal Board had supplied the following figures:

Year	Northumberland	North Durham	South Durham	Great Britain
1961	11	8	9	234
1962	12	12	14	255
1963	18	12	10	250
1964	9	8	9	192
1965-66 (15 months)	12	11	7	263
1966-67	7	2	12	146
1967-68	10	8	7	130
1968-69	8	5	4	115
1969-70	4	3	8	82
1970-71	9	6	10	92
Total fatal accidents during the 10 year period	100	75	90	1,759

Parliamentary answers on aviation and shipping

FRIDAY, MAY 7

Security precautions at Heathrow Airport

Mr. Michael Noble, Minister for Trade, was asked to make a statement on the anti-hijack precautions and security arrangements at Heathrow Airport following the reduction of Metropolitan Police assistance effected from the end of April. He said: 'The Government continues to give advice and guidance but responsibility for the provision and implementation of security measures is a matter for the airlines and Airport Authority. Following the withdrawal of the last of the special contingent of Metropolitan Police from Heathrow, I understand that the British Airports Authority Constabulary is assisting airlines in this task.'

Package tour operators

In answer to a request for a statement on the progress of his review of the activities of package tour operators, Mr. Anthony Grant, Parliamentary Under-Secretary of State for Trade, said: 'No review of the activities of tour operators is being undertaken, but the Civil Aviation Bill contains a provision which would enable regulations to be made for the licensing of organizers of air travel,'

MONDAY, MAY 10

Aircraft noise

Mr. Grant was asked what investigations had been made of the effects of aircraft noise on the health of the community living under the glidepath to London Airport (Heathrow). He said that no country had yet carried out the sort of long term study, which, in the absence of any conclusive evidence so far, would alone show if aircraft noise affected health. He was considering a proposal for such a study which the International Civil Aviation Organization had recommended.

Mr. Grant was also asked to arrange for the two main runways at London Airport (Heathrow) to be used on alternate dates for take-off and landing, and for this procedure to be publicized in order that the public may have some relief from noise. He said that whenever possible, landings were already equalized between the two main runways and added: 'I will consider how far landings might be alternated between the runways, though any such arrangement would be liable to frequent interruption by unpredictable contingencies.'

Safety at sea

A Member asked if steps would be taken to reintroduce the obligatory wearing by merchant seamen of the red torches carried during war-time, in order to save life at sea. Mr. Grant repied that this matter had been studied both nationally and internationally several times since the war and more evidence would be needed that safety would be materially enhanced before taking such steps.

Air misses

A Member asked if, in order to establish the size of the airmiss problem, the Secretary of State would arrange that during a trial period no disciplinary action should be taken against persons reporting air misses regardless of blame attributed. Mr. Grant said: 'No Sir. The present airmiss reporting and investigation procedure works effectively. There is no evidence that the possibility of disciplinary action deters pilots from reporting airmisses.'

In reply to a question on the number of airmiss reports received by the DTI since January of this year Mr. Grant said 44 reports of airmisses involving civil aircraft in United Kingdom airspace had been received since February 1, 1971. Two of the reported incidents were over Scotland, one over Wales, two over the sea and the remainder widely scattered over England.

Proposed BOAC charter subsidiary

In answer to a request for a statement about the British Overseas Airways Corporation's proposals to form a charter subsidiary, Mr. Grant said: 'BOAC propose to use a subsidiary company in order to enable them to compete in that part of the charter market not open to IATA airlines. We are satisfied that they should be enabled to do so.'

Crash of Dan-Air Comet

A Member asked Mr. Grant when the report of his inquiry into the crash of the Dan-Air Comet at Barcelona on July 3, 1970 would be published. 'This is not our inquiry,' replied Mr. Grant. 'By international agreement accident investigations rest with the state where the accident occurs – in this case Spain. The Chief Inspector of Accidents has been informed that their report should be in the hands of the Spanish Air Minister very shortly and that representatives of the Accidents Investigation Branch will be invited to Madrid before the end of the month to discuss it with the Spanish authorities, who are already aware that we wish to publish it here.'

Linesman Mediator

Mr. Grant was asked to make a further statement on the Linesman Mediator and its contribution in reducing air traffic congestion. He said: 'The Mediator system is operating satisfactorily and further improvements are planned. Since the initial period there have been no serious delays attributable to Mediator, although the London Air Traffic Centre handled 20 per cent more traffic last March than it did in March 1970. We have every hope of maintaining that record through the peak summer period so far as delays under our own control are concerned.'

Concorde

The following statement was made by Mr. John Davies, Secretary of State for Trade and Industry, in response to a request: 'My right hon. Friend, the Minister for Aerospace, and I met M. Chamant on April 22. We were not able to make the thorough review we had originally intended because not all the information was available. We were however encouraged by the satisfactory nature of the flight test results to date. We accordingly decided to authorize the start of manufacture of four more production aircraft, bringing the total number of production aircraft under construction to 10, and the ordering of long-dated materials for a further six aircraft. The latest estimate of development costs at December 1970 prices is £885 million. Further details will be circulated in the official report. We shall of course continue to keep a close watch on the project, and I will be meeting M. Chamant later in the year to examine progress.

Following is the information:

Official Report

The latest basic estimate of £885 million is divided as follows as between actual past expenditure and estimated future expenditure:

	British Governments	French Governments	Both Governments
	£ million	£ million	£ million
Actual costs from November 29, 1962, to April 30, 1971, at the rates prevailing when the costs were incurred	280	245	525
Estimated costs from April 30, 1971 to completion of the programme at December 1970 prices, and an exchange rate of £1 = 13·33 FF.	160	200	360
	440	445	885

The difference between the latest estimate of £885 million at December 1970 prices and the former estimate of £825 million at June 1970 prices is made up as follows:

	£ million
Former estimate at June 1970 prices	825
Pay and price increases since June 1970	15
Later date for obtaining Certificate of Airworthiness	15
Additional expenditure on the propulsion system	10
Other adjustments to the programme	20
Present estimate	885

Mr. Frederick Corfield, Minister for Aerospace, was asked if he would make arrangements that no further flights of the Concorde aircraft would take place over the west coast of Scotland. Mr. Corfield answered: 'No. These flights are an essential part of the Concorde programme. the route down the west coast was chosen after

PARLIAMENTARY ANSWERS, *continued*

very careful examination of all the alternatives, and remains the one best meeting the technical, safety and air traffic control demands whilst affecting the fewest people'.

Mr. Corfield was asked if a White Paper would be published setting out the scientific data relating to smoke emission and noise caused by supersonic flight. He answered that the available evidence did not suggest that smoke emission was at all likely to present environmental problems since Concorde's engines would in service emit considerably less smoke than many existing subsonic types. 'As to the noise, I have nothing to add to what I have already told the House on previous occasions', he said.

TUESDAY, MAY 11

Blue Streak

Mr. Price was asked to make a statement about the future of Spadeadam, Cumberland; to what extent HM Government was involved now financially; what contributions were being received from other countries to this project; and what were the long-term plans for Spadeadam. Mr. Price replied: 'Work at Spadeadam on the Blue Streak launch vehicle in support of the European Launcher Development Organization's activities is expected to continue until 1974, but this depends on final decisions still to be taken by the Member States. Her Majesty's Government is now involved financially in this work only to a minor extent in respect of certain rates and tax remissions which the Protocol on Privileges and Immunities of ELDO requires us to bear; otherwise the costs, amounting in the present financial year to about £850,000 are borne by ELDO from contributions made by other Member States of the Organization. Consideration is now being given to moving static facilities at present located at the Proof and Experimental Establishment at Shoeburyness to Spadeadam. These facilities would provide a long-term use for the site, but the details have yet to be worked out.'

WEDNESDAY, MAY 12

Near-collision at Heathrow

Mr. Grant was asked what proposals would be made following the Civil Aircraft Report 3/71 on the circumstances of the near-collision near Heathrow Airport and concerning Northolt Airport on January 9, 1970. He replied that during the course of the investigation steps were taken to introduce a special precautionary height check into the approach procedure for landing at Northolt, and attention was drawn to this and to the importance of observing the rules already in force there in a Notice to Airmen published in March 1970. In addition some minor shortcomings brought to light during the investigation, though they did not contribute to the incident had been corrected.

Rolls-Royce M54H engine

Mr. David Price, Parliamentary Under-Secretary of State for Aerospace, was asked the cost to public funds of developing the Rolls-Royce engine required for the Fokker VFW-614 plane. 'None,' he answered, 'development of the M45H engine has so far been funded by Rolls-Royce, SNECMA and the Federal German Government. Development is, I understand, proceeding satisfactorily. Rolls-Royce are now considering, with their partners, arrangements for continuing development and production.'

Public funds for aircraft engines

A Member asked what aircraft engines were being designed and manufactured at present which were now being promoted or supported from public funds. Mr. Price replying, said that he took this question to apply to civil engines. Only the Rolls-Royce RB211 was currently being supported from public funds. It was in an advanced stage of development and should be ready for airline service in April 1972.

Launching aid of £47 million was paid to Rolls-Royce Ltd. for the RB211 before the Receivership. The Government had so far committed about £24 million in indemnifying the Receiver for continuing work while negotiations were pursued about the future of the engine. This sum formed part of the estimate of £130 million for Government support for further development and production that was announced to the House on May 10.

Night jet flights at Heathrow

Mr. Michael Noble, Minister for Trade, was asked if pending the construction of the third London airport at Foulness, he would provide that there should be no increase in the number of night jet flights permitted at London Airport, Heathrow. He replied that later this year after the usual consultation with all concerned, he would announce whether he was maintaining or altering the present summer limit of 3,500 night jet movements which had applied since 1965.

Mr. Noble was then asked to study the possibility of routeing all night flights through Foulness, and away from the residential population near London Airport, Heathrow. 'Such a study would be premature at present,' answered Mr. Noble, 'but I am confident that, as and when appropriate, all possible consideration will be given to ways in which the population near Heathrow may obtain relief through the use made of Foulness.'

IATA fare increases

In reply to a question on the International Air Transport Authority fares increases recently agreed at Honolulu and Geneva, Mr. Noble said that he had approved all the international fares on which agreement was reached, including reductions as well as increases.

Customs notices of interest to exporters

THE FOLLOWING Public Notices issued by HM Customs and Excise relate to various aspects of export procedure. Copies of these Notices may be obtained from the local Officer of Customs and Excise, whose address appears in the telephone directory and to whom all inquiries should be addressed, or from the Secretary, HM Customs and Excise, 39-41, Mark Lane, London, EC3R 7HE.

General Notice	
49	Temporary importations: international co-operation
77E	Purchase tax-exports.
77X	Purchase tax - retail export schemes.
104	Temporary importations and exportations under ATA and ECS Carnets.
112	Authorized hours for Customs work at ports, airports and in long rooms and charges for attendance given at the request of merchants.
118	Samples required for the purpose of promoting exports from the United Kingdom: admission without payment of Customs duty and purchase tax.
206	Export trade reliefs: temporary importation for process or repair.
207	Reimported goods: relief from Customs duty and purchase tax.
210	Temporary importation of films and similar goods for copying, printing, etc., to fulfil export orders.
215	Relief from Customs duty and purchase tax on importations of goods intended for export which are not otherwise eligible for relief.
290	Export of personal and household effects.
300	Export reliefs scheduling scheme.
466	Export documents and trade statistics.
467	The New Customs Tariff and Overseas Trade Classification.
Exchange Control	Notice to Exporters. Issue dated September 1970. (Issued by HM Treasury - also obtained from any bank.)
Drawback	
7	Drawback on mixed or blended beers when exported or deposited in bonded warehouse.
74A	EFTA drawback: exception of EFTA goods re-exported to another EFTA country.
77M	British-made cars and motorcycles; tax free sales to tourists, etc.
132	Sugar: all matters relating to the importation, warehousing and export of sugar and sugar goods, and to the use of surcharge-free sugar for certain purposes.
172	Hydrocarbon oils: drawback of duty.
218	The conditions and procedures under which drawback of import duty may be claimed on goods which are exported in the same state as they were in when imported.
219	The conditions and procedures under which drawback of import duty may be claimed upon the exportation of goods produced or manufactured in this country from imported materials.
224	The examination of bottled beer, exported on drawback, at the premises of a licensed brewer for sale, or beer dealer, as an alternative to examination on the quay.
291	Claims for drawback on goods exported where there has been a variation in the duty rate.
372	Notice to exporters and other traders regarding goods exported, shipped as stores or deposited in bonded warehouse on drawback; authorization of signatories to drawback claims.
430	Tables of rates of sugar surcharge, distribution payments and corresponding repayments.
430A	Table of rates of sugar surcharge and distribution payment on imported invert sugar and other imported goods containing sugar and repayment rates of exported invert sugar and exported beer.

New Books

Report on the Second British Agricultural Engineering Mission to the United States of America, November 7 to 28, 1970. (40 pages. Agricultural Engineers Association, 6, Buckingham Gate, London, SW1. £2.00). The objective of the second agricultural engineering mission to the United States was to exploit the opportunity provided by the joint annual conventions of the Farm Equipment Wholesalers' Association and the Farm Equipment Manufacturers' Association to meet dealers and manufacturers from all over the USA. The conventions provided an excellent introduction to the US market, and enabled the Mission's members to gather up-to-date information about a vast and diverse sales area. The report comments at length on the nature of the market for agricultural equipment, and provides valuable observations on the American approach to marketing and sales organization. It concludes that there is little knowledge in the US of the size and scope of the British farm machinery industry and its products, but that the US market as a whole is most receptive to a sound product at the right price, supported by an aggressive approach to sales and distribution. The value of the report is enhanced by six appendices giving statistics of imports and exports of farm machinery between Britain and the USA; the usage of different types of machinery in American agriculture; and the distribution of agriculture in California, one of the major farming states.

The Conditions for Success in Technological Innovation. OECD. (170 pages. Available from HMSO at £1.37; by post £1.43½. SBN 11 920423 1). This report, prepared for OECD under the direction of its Committee for Science Policy, attempts to identify the factors influencing the process of technological innovation, by analysing the results of empirical research undertaken over the past ten years. The main focus of the report is technological innovation in response to industrial and individual needs; that is, innovation which lays the basis for economic growth, and which responds to changing patterns of consumer requirements. The promotion of such innovation will continue to be an important objective of national policies and a fuller understanding of the factors behind successful innovation should enable policy makers to identify and carry out those actions which can be taken to make technological innovation more responsive to the increasingly social and qualitative objectives of economic growth. Three essential factors required for successful innovation are examined in the report; scientific and technological capability, market demand, and an agent which transforms this capability into goods and services which satisfy this demand. In the OECD countries this agent is the industrial firm, the pressures and incentives being competition and profit. After examining this necessary economic environment, the report goes on to analyse the role of industry, the universities and government. Industry is examined under three main headings: the influence of industrial structures; the influence of the size and sophistication of national markets; and innovation and management. The role of the universities is considered in great detail – this being in line with the Galbrathian thesis as to their central importance in modern industrial societies when considered from the point of view of knowledge as capital. The relationship between university science and industrial technology in industrially advanced countries is examined, and the report then concludes this section by emphasizing the importance of integrating the academic and educational aspects of research with those of industrial centres. Finally, the publication describes the place of government within the whole field of innovation by analysing its role in creating a climate conducive to successful technological innovation. Topics dealt with in this context include: the level and deployment of R and D resources; national specialization in science and technology; large-scale technological programmes; education and government, and science policy in general. Two useful annexes enable the reader to utilize the report in a positive way by providing detailed comparative indices of performance in ten OECD countries, and by outlining the present situation and future needs of empirical studies on technological innovation, in other words, methodology. Full documentary references are provided, together with an annotated bibliography. The report is an immediate sequel to the OECD series published under the general title *'Gaps in Technology.'*

The recent publication of the Pearson and Jackson reports on overseas aid has helped to focus attention on possibly the most important economic and social problem facing the world – the increasing disparity in wealth between the advanced industrial nations and the developing countries of the third world. The commitment, by most of the developed countries to the one per cent of GNP as an aid target is a measure of the concern felt by the international community about this problem. Two recently published books are a further contribution to the understanding of the complex issues involved – issues which have global implications for trade, economic growth and the world financial system. In **World Development Handbook**, by Juliet Clifford and Gavin Osmond (172 pages. Published for the Overseas Development Institute by Charles Knight & Co. Ltd. £2.25 SBN 85314 085 5; soft cover £1.50 SBN 85314 084 7) the authors have sought to clarify the issues for the layman, and in their discussion of the problems of developing countries the role of the industrial nations is closely examined, and well illustrated with statistical tables. The book was intended to be a revision of *World III: a Handbook on Developing Countries*, but the original material has been condensed into an introductory part, in which the characteristics of the developing countries are analysed. In Part II, the factors necessary for growth are examined, together with the restrictions that poverty places on effective government action, but the main emphasis of the book is on the economic relationship between the rich and poor nations and this is discussed in some detail in Part III. This work is intended for readers in developed countries and it is from the donor's viewpoint that the important aspects of foreign trade, aid and technical assistance are examined. Attention is drawn to the role of the IMF and GATT in promoting the trading interests of developing countries, and the level of aid is examined in the light of the Pearson Commission's recommended 1 per cent GNP. Overseas aid is discussed in more detail in Part IV, where the need for the co-ordination of aid programmes is emphasized, and a final chapter touches on some of the current controversies. The author of **The Reality of Foreign Aid**, by Willard L. Thorp (370 pages. Published for the Council on Foreign Relations by Praeger; distributed in the United Kingdom by Pall Mall Press. £5.25) was formerly a senior American Government Adviser and one-time Chairman of the OECD's Development Assistance Committee, and he presents a well documented case for increasing the effectiveness of foreign aid. The Council on Foreign Relations, for whom this study was prepared, is concerned with the relationship of political, economic and strategic problems to American foreign policy, and the author devotes major attention to the effectiveness of the US aid programme. He examines the problem in the light of the declining US contribution and increasing public controversy, and examines the importance of political considerations for both the donor and recipient nations. The need for a pragmatic approach to programme planning is emphasized, in order to ensure accurate response to the evolving needs of the recipient nations. Private sector and multilateral aid are also discussed, and the author's own experience is evident in his treatment of the role of international organizations.

Developing Effective Managers: A New Approach to Business Education, by Reginald W. Revans. *Management Studies Series* (220 pages. Longman. £4.25 ISBN 0 582 44547 7) has been written to answer the complaint that many, if not most programmes of management education have rarely achieved a meaningful unity of theory and practice. The author, a former academic and now the Managing Director of the Inter-University Programme affiliated to the Brussels Fondation Industrie-Université, describes an experimental method of management education, developed in conjunction with the Brussels Fondation. The essence of the programme is that management education must make a decisive structured attempt to examine, understand and improve the capabilities of individual managers in specific situations, rather than proliferate often irrelevant academic detail. The author does not deny the value of abstract economic theory but maintains that such theoretical studies form imperfect guidelines for managerial action because they ignore the integral relationship between learning and practice. He also rejects, as insufficient, case studies such as management games, role-playing exercises and workshop stratagems. To remedy this deficiency in management education, Professor Revans' programme has developed a series of action studies in which students work in business firms tackling real problems. The managers involved spend one year working in firms other than their own – analysing problems, proposing solutions and implementing their own suggestions, whilst maintaining close contact with representatives from five major universities. This programme has aroused considerable interest both in the USA and in Africa because of its apparent flexibility in dealing with the problems and needs of developed and developing countries alike. The volume is well illustrated with diagrams and contains copious notes but it could have been further improved by the inclusion of an index.

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Government surplus sales

MINISTRY OF DEFENCE

1971	Stores	Location	Auctioneers
May 26-27	Road making equipment, commercial and private vehicles	Ordnance Storage & Disposal Depot, Ruddington, Notts.	Walker, Walton & Hanson (Dept. L), Byard Lane, Bridlesmith Gate, Nottingham. (Tel. 0602 54272.)

Approximately 1,400 lots (sold in single lots) including heavy duty and agriculture tractors; dropside trailers; water tankers; refuellers; cabin trailers; Leyland 'Hippo' and hydraulic tippers; mobile and hydraulic cranes; angledozers; lorry-mounted bridging cranes; breakdown trucks; ambulances; excavators; Bedford fire tenders; Coventry Climax fire pump trailers; loading shovels; Bedford Utilecons, vans, trucks and coaches; Morris Mini Minors, commercial utility vans, Travellers, Oxfords; Land Rovers; Ford Zephyrs, Anglias and Populars; Hillman Huskys and Minx saloons; Triumph and BSA motor cycles.

June 8	Miscellaneous stores	Central Ordnance Depot, Bicester, Oxon.	Midland Marts Ltd. (Dept. L), Market Square, Bicester, Oxon., OX6 7AL. (Tel. 08692 2073.)

Compressors; generators; 10-cwt. and 2-ton electrically-operated gantries; Coles 5-ton lorry-mounted and other cranes; Ferguson agricultural tractors; Douglas trucks; Barford '75' dumpers; concrete mixers; Chaseside and Fordson shovels; drop pile hammers; Petter, Continental, Coburn and JAP petrol engines; Farrar vertical steam boilers; paint sprayers; excavator conversion equipment; 2- and 3-core electric cable; diaphragm and centrifugal pumps; air-cooled engines; large quantity of surplus service clothing and textiles; household and office furniture; kitchen equipment; mixed rags, etc.

June 22-23	Miscellaneous stores	Ordnance Storage & Disposal Depot, Branston, Staffs.	Arnold & Son (Dept. L), 'Modwena', 13 Market Place, Burton-upon-Trent. (Tel. 4657.)

Plant and machinery; compressors; oscilloscopes; portable welders; wooden transit boxes; 30 hp air blowers; fork lift trucks; clothing and textiles; furniture; machine tools including pedestal, pillar and radial drills; grinding, milling and woodworking machines; centre, shell and tool lathes; presses; shapers, angle bending machines; power hacksaws, etc.

Catalogues of the above sales obtainable from relevant auctioneers about two weeks prior to and up to date of sale, price 5p (postal order only).

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Statistics

The economy: selected indicators

Series expressed as index numbers and seasonally adjusted except where shown otherwise

Symbols used in all statistical tables are:—
.. not available
- nil or less than half the final digit shown
p provisional
r revised
* five week period
ø fifty-three week period

	Gross Domestic Product (Expenditure estimates)	Index of Industrial Production	Consumers' Income and Expenditure				Fixed Capital Expenditure					Increase in Stocks			
							Total	Selected Components				Total	Selected Components		
			Personal disposable income	Total consumers' expenditure		Retail sales		Manufacturing industry	Distributive and service industries	Dwellings	Public sector excluding dwellings		Manufacturing industry	Wholesalers	Retailers
	at 1963 prices		at current prices		at 1963 prices	at 1966 prices	at 1963 prices					at 1963 prices			
Base of index £m. in base year	1963 26,758	1963	1963 21,758	1963 20,087	1963 20,087	1966 11,372	1963 4,907	1963 1,070	1963 994	1963 944	1963 1,752	Series in £ million			
1965	108	111·7	115	114	106	..	121	124	119	127	117	385	263	47	31
1966	110	113·2	122	121	108	100·0	124	128	115	128	125	254	143	25	17
1967	112	113·9	127	126	110	101·4	133	124	122	138	142	184	–37	13	22
1968	116	119·8	135	135	112	103·6	140	130	144	145	142	157	23	75	41
1969	118	122·9	143	143	113	103·0	136	140	148	130	131	357	232	26	27
1970	120	124·0	156	155	116	104·2	138	148	156	117	136	351	224	40	51
1969															
1st quarter	115	121·8	140	138	111	102·3	134	128	138	134	136	96	105	6	5
2nd quarter	118	123·3	142	142	113	103·7	135	141	147	130	129	84	43	2	1
3rd quarter	119	123·2	144	144	113	103·2	138	146	155	130	130	51	—	8	8
4th quarter	120	123·5	147	147	114	102·9	138	146	153	126	131	126	84	10	13
1970															
1st quarter	117	124·0	149	148	114	103·3	133	141	144	112	133	–31	32	– 5	–41
2nd quarter	120	123·4	155	153	116	104·2	141	150	163	118	137	106	55	11	21
3rd quarter	120	123·8	159	158	117	104·6	138	150	156	119	133	117	40	6	12
4th quarter	122	124·4	163	161	118	104·7	140	149	162	119	139	159	97	28	59
1971															
1st quarter						101·9									–75p
1970															
September		125·7				104·4									
October		125·7				106·0									
November		122·5				103·3									
December		124·9				104·9									
1971															
January		125·7 p				102·7									
February		124·1 p				99·7									
March						103·0									

	Orders	Prices and Costs					Labour			Trade (§)		Balance of Payments current balance
	Engineering and electrical goods† orders on hand (end period)	Retail prices Index		Wholesale price index: non-food manufacturing industry		Basic hourly wage rates (all industries and services)	Wholly unemployed excluding school leavers	Unfilled vacancies for adults	Civil employment (‡‡)	Imports(‖)	Exports(¶)	
	at 1963 prices	Index‡	% increase on year earlier	Basic materials and fuel used‡	Manufactured products: home sales‡		Mid-month or monthly average		Quarter or quarterly average	at current prices		
Base of index £m. in base year	Dec. 1963	16 Jan. 1962		1963	1963	31 Jan. 1956	Series in thousands			1963 4,362	1963 4,282	Series in £ million
1965	119	112·1	4·8	106·8	104·6	157·9	308	265	24,785	116	112	– 77
1966	115	116·5	3·9	110·2	107·3	168·5	323	255	24,384	120	121	43
1967	106	119·4	2·5	108·4	108·2	175·3	512	174	24,475	130	120	–312
1968	106	125·0	4·7	120·5	112·4	187·3	541	188	24,331	159	146	–319
1969	117	131·8	5·4	125·0	115·9	197·4	535	200	24,308	165	165	416
1970	126 p	140·2	6·4	128·5	124·6	217·7	574	186		181	184	631
1969												
1st quarter	110	129·7	6·2	122·3	114·1	194·7	532	198	24,364	162	153	13
2nd quarter	113	131·8	5·4	124·2	115·1	195·6	519	202	24,340	165	163	76
3rd quarter	115	132·0	5·0	126·1	116·5	197·8	547	200	24,268	165	171	153
4th quarter	117	133·7	5·1	127·3	118·0	201·6	544	199	24,258	169	172	174
1970												
1st quarter	118	136·2	5·0	130·1	120·6	209·0	561	192	24,280	171	180	215
2nd quarter	122	139·5	5·8	129·2	123·6	214·0	563	187	24,139	183	183	144
3rd quarter	123	141·1	6·9	126·9	125·7	219·5	592	185	24,077	178	175	76
4th quarter	126 p	144·0	7·7	127·8	128·4	228·3	581	177		190	199	196
1971												
1st quarter		147·9	8·6	130·9 p	131·0 p	237·2 p	631	146		189	186	
1970												
August	123	140·8	6·8	126·1	125·7	219·7	593	184		200	140	
September	123	141·5	7·0	127·2	126·4	221·3	589	187		194	199	
October	122 p	143·0	7·4	126·3	127·5	222·7	576	184		192	203	
November	125 p	144·0	7·9	128·4	128·5	228·8	579	176		192	191	
December	126 p	145·0	7·9	128·5	129·1	233·3	589	171		186	204	
1971												
January	122 p	147·0	8·5	129·8 p	130·6 p	236·8	613	157		176	176	
February	123 p	147·8	8·5	130·6 p	131·1 p	237·1	623	147		187	172	
March		149·0	8·8	132·3 p	131·4 p	237·6 p	656	134		201p	209p	
April							704 p	129 p				

(†) New series covering SIC Orders VII-IX; previous series also included part of Order XI. (‡) Not seasonally adjusted.
(§) On a balance of payments basis. (‖) Includes payments for United States military aircraft and other balance of payments adjustments.
(¶) Includes balance of payments adjustments and allowance for factors affecting recording.
(‡‡) Figures are subject to revision.

Monthly assessment of the economic situation

This report on the economic situation, prepared by HM Treasury, will be published in *Economic Trends* for March at the end of the month. The form of the Report is similar to that adopted in March and this will be continued in future months. It contains the full monthly article instead of, as previously, only the 'General Assessment.'

Unless otherwise stated the report is based on seasonally adjusted data.

General assessment

THE FORECAST of the domestic economy published in the *Financial Statement and Budget Report 1971-72* envisaged a slight fall in output between the second half of 1970 and the first half of 1971, with renewed growth at around 3 per cent over the year to the first half of 1972. The major reason for the forecast movement in the first half of this year was a reduction in stock-building from the high rate in the second half of last year, part of which was probably involuntary. No information is yet available about changes in stocks this year but the limited number of other indicators available for the early months of this year are consistent with a relatively weak trend in national output. The recorded figures have been affected by strikes – particularly the Ford and postal strikes – which have made it difficult to assess the underlying trends. This was the case for consumer spending, where the first preliminary estimate for the first quarter shows a fall and for industrial production which, in January and February taken together, was probably running at about the same rate as in the fourth quarter of 1970. The volume of exports of goods and services in the first quarter of this year was probably little different from the quarterly average of the second half of last year, if allowance is made for the backlog in documentation caused by the postal strike, while the volume of imports showed a further rise over the same period.

An important feature of the first four months of the current year has been the decline in the demand for labour. The number of wholly unemployed (excluding school-leavers) increased by around 115,000 between December and April while the number of unfilled vacancies fell by about 42,000. Unemployment has risen faster than would have been expected, on the basis of past relationships, from the movement of output. This may be in part a delayed reaction to the earlier slow growth in output in 1969 and the first half of 1970 which led to a smaller rise in unemployment than would have been expected. An important further factor has been the tight liquidity position of the company sector, and a major cause of this has undoubtedly been the rapid increase in labour costs. The timing of the rise in unemployment in recent months may have been affected by a downward revision of employers' expectations about future prospects towards the end of last year and the beginning of this year, as evidenced by a less strong order book position, a less rapid rise in consumer spending and the weakening of investment intentions (the Budget measures have been announced in the period since then).

The rising trend in the level of pay settlements becoming effective (not seasonally adjusted) – which became apparent in the third quarter of 1969 – appears to have been checked towards the end of last year and in the first quarter of 1971. Excluding the third stage of the 1968 engineering agreement, the average rate of increase of wage settlements in the first quarter† was 11-11½ per cent (at an annual rate) which was below that in the fourth quarter of 1970. Between December and March, mainly as a result of a sharp drop in the number of workers affected by settlements in the first quarter, the index of hourly wage rates (not seasonally adjusted) increased by 1¾ per cent compared with a rise of about 5½ per cent between September and December. Rising wage costs were the main element in the 2¾ per cent increase in the index of retail prices (not seasonally adjusted) between December and March but seasonal factors were responsible for about ½ per cent of the increase. As compared with a year earlier, the latest figures show average earnings in January to have risen by 14 per cent and retail prices in March to be up by 8¼ per cent.

The number of industrial stoppages (not seasonally adjusted) in the first quarter of 1971 was lower than in any quarter of last year In the first quarter of 1971 the number of stoppages was below 600 and less than half that in the first quarter of 1970: this reduction was accompanied by a provisionally estimated fall in the number of known official stoppages from 53 to 16. The number of working days lost in the first quarter of 1971, however, was much greater than in the first quarter of last year, largely as a result of the prolonged Ford and postal stoppages.

† Wage settlements becoming effective refer to the settlements taking effect for manual workers in a particular period, stages of long-term agreements being included in the period in which they become effective. Recent figures may be retrospectively adjusted to take account of settlements reached at a later date.

Demand and production

Consumers' expenditure in the first quarter of 1971 is provisionally estimated to have been more than 1 per cent lower than in the final quarter of 1970, but the total was depressed by the Ford and postal strikes and the underlying trend is stronger than the recorded figures indicate. Reduced mail order business accounted for more than 1 per cent of the fall of 2¾ per cent in the average monthly volume of retail sales between the fourth quarter of 1970 and the first quarter of 1971. But sales by food shops and clothing and footwear shops were also lower over the same period. There was little change in the volume of sales by durable goods shops.

The growth of new instalment credit business in the first quarter was restricted by the postal strike, both directly and through the loss of mail order business which is largely based on credit. New instalment credit advanced by finance houses was somewhat less than in the fourth quarter of 1970, but the total debt directly owed to finance houses and retailers at the end of March was the same as at the end of December and 7 per cent higher than a year earlier. New car registrations in January and February, although significantly higher than a year earlier, were close to the strike-affected fourth quarter average. Registrations in March, which were down on January and February, were affected by the Ford strike.

The number of housing starts in the private sector rose sharply during 1970 from the low level in the first quarter. The recovery continued in the first quarter of this year when starts were fractionally higher than in the preceding quarter of 1970 and over one-third higher than a year earlier. In the public sector the number of starts in the first quarter was slightly higher than in the corresponding period of last year, although a little below the total for the fourth quarter of 1970.

The provisional estimates of industrial production in January and February suggest little change from the fourth quarter of last year, but manufacturing production was at a lower level in January and February than in the fourth quarter of last year. The estimates, however, are less reliable than usual because of the postal strike, and comparisons are distorted by strikes in both quarters, particularly in the coal and vehicle industries.

External trade

The value of exports in April and perhaps – though only marginally – the value of imports were inflated by the receipt of documents delayed by the postal strike; there was a visible trade surplus of £14 million. Most of the distortions in recording resulting from the strike probably cancelled out over the first four months of the year taken together, and in the period January-April the visible balance showed an average deficit of £16 million per month compared with an average monthly deficit of £3 million in the second half of 1970. With net earnings from invisibles estimated to be running at a rate close to £50 million per month, the current account has continued in strong surplus this year.

Export unit values (not seasonally adjusted) in the first quarter averaged some 4 per cent more than the monthly average for the second half of 1970, whereas the corresponding increase in import unit values (not seasonally adjusted) was only about ½ per cent.

Financial trends

Advances by London clearing banks (other than to nationalized industries) fell by £59 million in the banking month of April, following a drop of £7 million in the preceding month. Restricted

lending also fell in both months. Net deposits, after rising by £48 million in the month to mid-March, fell by £98 million in the month to mid-April, the expansionary influence of the external inflow being more than offset by payments to the revenue delayed by the postal strike and by substantial official sales of gilt-edged to the public.

The United Kingdom official reserves increased by £51 million in March and £43 million during April to stand at £1,425 million at the end of April: the reserves have now risen for seven consecutive months. The March increase was after advance repayments of £285 million to the IMF and the April increase after the advance repayment of £8 million of the European Payments Union debt to Germany in April. The demand for sterling was strong at times during both months; the spot rate was generally above $2.4160 and for much of the period was in the range $2.4180 to $2.4194.

During April large inflows of dollars into Europe, particularly Germany, continued. These culminated in a massive influx mainly into Germany in the first week of May, resulting in the temporary closure of the foreign exchange markets of Germany, Switzerland, Austria and Holland. The German and Dutch authorities subsequently announced that the Deutsche Mark and the guilder would be allowed to float against the dollar, the Swiss franc was revalued by 7 per cent and the Austrian schilling by just over 5 per cent.

The financial position of the company sector

The tight financial position of the company sector should be eased somewhat in the current year, by the reductions in Corporation Tax in October and in the Budget, and by the halving of the Selective Employment Tax. These changes will outweigh the increase in the rate of employers' national insurance contributions. In addition, the growth of output forecast for the second half of the year may be expected to help company profits. The check to escalation in wages (and likewise any substantial fall in the rate of settlements over the coming year) should also help companies to improve their financial position.

The size of the company sector financial deficit‡ rose from £611 million in 1969 to £1,222 million in 1970. However in 1969 companies made net payments of import deposits while in 1970 there were net repayments as a result of the phasing out of the import deposit scheme. Allowing also for this, the adjusted deficit was some £1,000 million in both years.

An approximate measure of the relative liquidity of the company sector is the ratio of identical liquid assets of industrial and commercial companies to gross domestic product at current prices, the latter being used as a proxy for money turnover. This ratio declined in most years of the sixties, and preliminary estimates for the fourth quarter of 1970 show the ratio falling from near 11½ per cent in 1969 to about 10½ per cent in 1970.

The increasing liquidity pressures on companies were associated with – and partly a result of – the continued downward trend in 1970 of the share of gross trading profits§ of all companies in total domestic incomes as the public sector moved further into surplus. Between 1965 and 1970 the share slipped from about 14½ per cent to around 10 per cent¶. The fall of about 1 per cent between 1969 and 1970 may be largely attributable to the lower pressure of demand; another major factor was probably the rise of costs at a faster rate than prices.

Between 1969 and 1970, the level of gross trading profits, including stock appreciation, showed a small rise of about 2 per cent (there was little change after allowing for stock appreciation). Other sources of company income – rent and trading profits and income from abroad – increased in 1970. But, in spite of higher income, the undistributed income of industrial and commercial companies declined by some £200 million between 1969 and 1970. The companies, although receiving £80 million less in investment grants in 1970 (largely the result of the ending of temporarily higher rates of grant), increased their capital expenditure by more than £400 million in 1970, £70 million of which was the increase in the value of stocks. With the capital issues market again depressed in 1970, companies substantially increased their borrowings from banks, including a large proportion in foreign currencies – the total borrowings of £1,000 million in 1970 was over £460 million higher than in 1969. It seems probable that companies also borrowed direct from overseas sources.

‡ A sector's surplus/deficit refers to its net acquisition of financial assets (equals savings *plus* capital tranfers *minus* gross domestic fixed capital formation *minus* the increase in the value of stocks and work in progress).

§ After the deduction of stock appreciation.

¶ About 0.3 per cent of the fall is attributable to the nationalization of steel companies in 1967.

Work of the Royal Mint during 1970

DURING THE YEAR 1970, the Royal Mint produced 2,796 million coins. Of these 1,982 million were struck at Llantrisant and 814 million at Tower Hill. This total exceeds the 1969 figure and although coinage for domestic use showed a slight decline, a significant increase in the production of overseas coin was achieved. The Llantrisant Mint completed the bulk of the decimal bronze coins required for issue on Decimal Day, as well as a proportion of the overseas coinage, while the Tower Hill Mint was chiefly engaged in the production of the remainder of the overseas work, the striking of official and commercial medals and the manufacture of seals and revenue dies.

Details of the coinage produced during 1970 are set out below:

	Llantrisant	Tower Hill
50p	—	39,900,000
10p	24,627,000	105,241,350
5p	53,200,000	69,477,350
2p	786,400,000	7,350
1p	444,200,000	7,350
½p	557,828,000	7,350
3d	—	11,680,000
1d	7,353,600	102,170,400
Overseas	108,850,000	485,410,000

Coinage for overseas governments accounted for some 21 per cent of the year's total production. The countries supplied included the Bahama Islands, Bahrain, Bermuda, Brunei, Ceylon, Cyprus, Dominican Republic, El Salvador, Fiji, Gambia, Guyana, Iceland, Iraq, Irish Republic, Jamaica, Jordan, Kenya, Kuwait, Lebanon, Malawi, Mauritius, Rwanda, Seychelles Islands, Somalia, Switzerland, Tanzania, Trinidad and Tobago, Uganda and South Vietnam.

The output of medals during the year totalled 116,219, an increase of almost 30,000 over 1969. Among the more important Seals produced in 1970 was a set of Secretary of State Seals comprising the Greater Seal, The Lesser Seal and the Fob Seal. A number of embossing Seals were manufactured for the Foreign and Commonwealth Office for use in overseas posts and in addition Seals were supplied to many official bodies in this country. Postage and Revenue dies bearing the new decimal denominational values were prepared for the Post Office Corporation, the Inland Revenue Department and for some Commonwealth countries.

Retailers' stocks in March

THE VALUE of stocks at current prices held by retailers at the end of March is provisionally estimated to be 10 per cent higher than a year earlier; at constant prices the increase as 2 per cent.

The indices of the levels of retailers' stocks for 1969 and 1970 have been revised to take account of the results of the 1969 Annual Inquiry into the Distributive and Service Trades. Indices for January and February 1971 are not available, and the March 1971 index must be regarded as provisional because of the uncertain effect of the postal strike on the flow of information to and from retailers during this period.

Estimate of levels and percentage increases in retailers' stocks

Index numbers (end 1960 = 100) *and percentage increase on a year earlier*
(At cost at end of month)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
At current prices												
1966	124	126	127	136	140	139	131	137	137	146	156	134
1967	130	132	140	142	144	142	134	139	138	147	157	137
1968	133	136	147	147	151	148	141	147	146	156	168	148
1969	142	146	159	157	161	159	152	158	157	169	182	159
1970	150	153	163	165	166	167	161	169	167	184	204	177
1971	N.A.	N.A.	180 p									
1969	*6*	*8*	*8*	*6*	*6*	*7*	*8*	*8*	*7*	*8*	*9*	*7*
1970	*6*	*5*	*3*	*6*	*3*	*5*	*5*	*6*	*7*	*9*	*12*	*12*
1971	*N.A.*	*N.A.*	*10 p*									
At constant (December 1960) prices												
1966	111	113	122	121	124	124	116	120	120	128	136	116
1967	113	115	122	123	126	123	116	121	120	128	136	119
1968	115	117	126	124	127	124	118	123	122	130	139	122
1969	116	119	129	127	130	128	122	127	125	134	144	125
1970	118	119	127	127	127	128	122	127	125	136	150	130
1971	N.A.	N.A.	129 p									
1969	*1*	*2*	*2*	*2*	*2*	*3*	*3*	*3*	*3*	*3*	*3*	*2*
1970	*1*	—	*– 2*	—	*– 2*	—	—	—	—	*2*	*5*	*4*
1971	*N.A.*	*N.A.*	*2 p*									

p Provisional

Retailers' stocks in United Kingdom at end of December 1960 were £993 million at current prices.

United Kingdom trade in April

SUMMARY

General assessment

VISIBLE TRADE SHOWED a surplus in April of £14 million†, seasonally adjusted, but figures of exports and perhaps also, though only marginally, figures of imports were inflated by the receipt of documents delayed by the postal strike. For the first four months of this year taken together, a period over which most of the distortions in recording caused by the strike have probably cancelled out, the visible balance showed a deficit averaging £16 million a month compared with a deficit averaging £3 million a month in the second half of 1970. With net earnings from invisibles estimated to be running at a rate close to £50 million a month, the current account has continued in strong surplus this year.

Table 1. Visible trade on balance of payments basis

Seasonally adjusted values¶ £ million per month

	Exports f.o.b.††	Imports f.o.b.‡‡	Visible balance
1969	588	600	− 12
1970	657	657	+ 0
1969 1st quarter	547	590	− 42
2nd quarter	582	598	− 16
3rd quarter	610	598	+12
4th quarter	615	615	− 0
1970 1st quarter	642	623	+19
2nd quarter	654	666	− 12
3rd quarter	623	647	− 24
4th quarter	709	691	+18
1971 1st quarter p	663	688 r	− 26
1970 November	677	696	− 19
December	728	682	+46
1971 January p	627	638	− 12
February p	614	680	− 66
March p	748	747	+ 1
April p	745	731	+14
1970 Nov.-Jan. 1971	677	672	+ 5
1971 Feb.-April	702	719	− 17

¶ Components and totals are rounded independently
††Includes balance of payments adjustments and allowance for factors affecting recording (See Table 2)
‡‡Includes payments for United States military aircraft and other balance of payments adjustments. (See Table 3)
p Provisional estimates
r Revised estimates

Table 1A. Three-monthly averages‖

1970 May	652	654	− 2
June	654	666	− 12
July	651	617	+34
August	608	639	− 31
September	623	647	− 24
October	644	709	− 65
November	704	698	+ 5
December	709	691	+18
1971 January	677	672	+ 5
February	656	667	− 11
March	663	688	− 26
April	702	719	− 17

‖ Average of month shown and two preceding months. (See Note 1 (d))

Exports

The value of exports brought into account in April, £745 million† seasonally adjusted on a balance of payments basis, was, as in March, swollen by the receipt of documents delayed by the strike. It seems likely that by the end of April most of the backlog had been cleared, so that the figure of exports for the first four months of this year taken together was probably not greatly distorted. In this period the value of exports averaged £683 million a month, an increase of 3 per cent on the average level in the second half of 1970.

Imports

The value of imports in April, £731 million seasonally adjusted on a balance of payments basis, may also have been marginally inflated by delayed documents. In the first four months of this year imports were at a rate of £699 million a month, 4 per cent higher than the average rate in the second half of last year.

EXPORTS

General comment

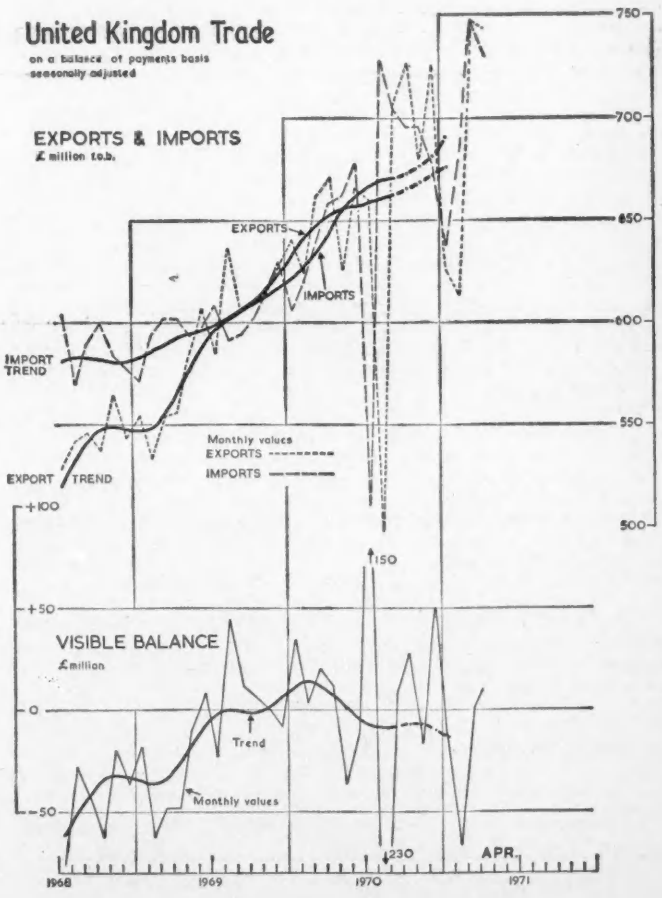
The total for exports in April continued to be swollen by the aftermath of the postal strike. The figure of £745 million, seasonally adjusted on a balance of payments basis, brought the average for the first four months of 1971 to £683 million a month, 3 per cent more than the average of £666 million a month in the second half of last year. This moderate growth of exports reflected higher prices.

Market pattern§

Exports to the sterling area have continued to rise with a sharp

† All figures in this article for exports (except recorded figures in Table 4 and area and commodity analyses in Tables 5 and 6) and, in consequence, for the visible balance include from January 1970 an addition of 2 per cent to the value of exports as an allowance for under-recording. (See Note (e).)

§ See Note (b).



increase of 9 per cent between the average levels of the second half of 1970 and the first four months of this year. Shipments to North America were markedly higher between these periods, reflecting a resumption of growth in exports to the United States which rose on average by 7 per cent. Exports to Western Europe, however, were slightly lower after strong growth in the second half of 1970 when they were 5 per cent higher than in the first half year.

Commodity pattern§

There was a marked recovery in the average level of exports of ships and aircraft ('other transport equipment') between the second half of last year and the first four months of 1971. Exports of machinery and road motor vehicles also increased strongly.

IMPORTS

General comment

On a balance of payments basis, imports in April were £731 million, seasonally adjusted, a fall of £16 million from the erratically high level in March. The April figure may have included some import documents delayed by the postal strike. In the first four months of this year imports averaged £699 million a month, 4 per cent (£30 million a month) higher than the monthly average in the second half of 1970. The increase has been mainly in the volume of imports.

Commodity pattern§

Imports of fuel and finished manufactures were markedly higher, on average, in the first four months of this year than in the second half of 1970; the arrival of three Boeing 747 aircraft in March contributed to the rise. Imports of food, beverages and tobacco also increased but arrivals of industrial materials were somewhat lower.

Sources of imports§

Imports from all major areas except Eastern Europe and Latin America have increased since the second half of last year.

(*Continued on page* 371)

Table 2. Exports

Seasonally adjusted values¶ — £ million per month

	Overseas Trade Statistics basis (f.o.b.)§§	Coverage adjustments	Net allowance for factors affecting recording†	Balance of payments basis (f.o.b)
1969	612	–27	+ 4	588
1970	672	–28	+13	657
1969 1st quarter	562	–26	+12	547
2nd quarter	600	–30	+12	582
3rd quarter	640	–24	– 6	610
4th quarter	645	–27	– 3	615
1970 1st quarter	655	–26	+13	642
2nd quarter	669	–29	+13	654
3rd quarter	638	–27	+13	623
4th quarter	726	–31	+15	709
1971 1st quarter p	678	–29	+14	663
1970 November	693	–30	+14	677
December	743	–30	+15	728
1971 January p	640	–26	+13	627
February p	626	–24	+13	614
March p	769 r	–37	+15	748
April p	760	–30	+15	745
1970 Nov.-Jan. 1971	692	–29	+14	677
1971 Feb.-April	718	–30	+14	702

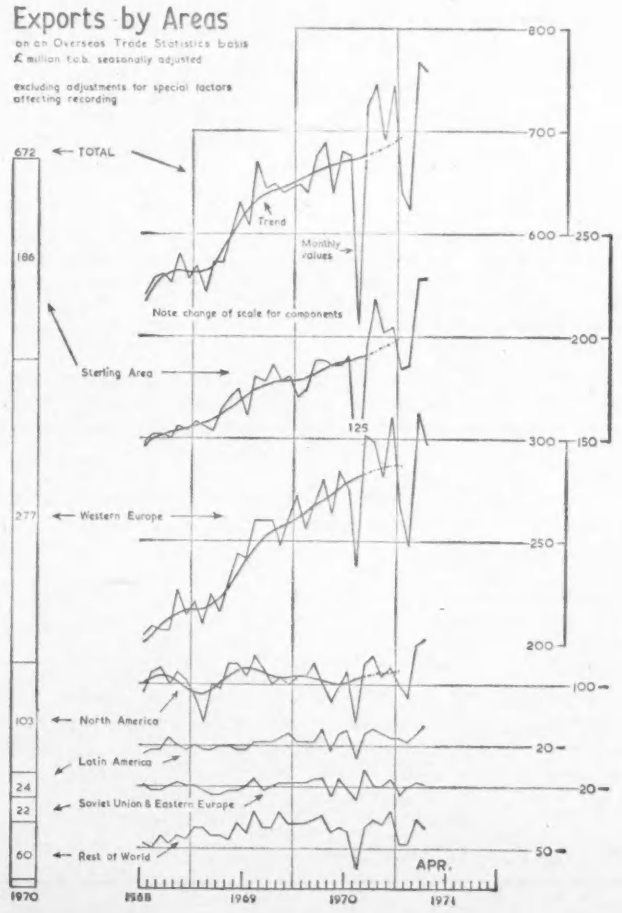
¶ Components and totals are rounded independently
§§ These values are derived from the recorded values in Table 4 by the standard seasonal adjustment process
† See Note 1 (e))
p Provisional estimates
r Revised estimates

Table 3. Imports

Seasonally adjusted values¶ — £ million per month

	Overseas Trade Statistics basis§§ (c.i.f.)	Adjustments to balance of payments basis				Balance of payments basis (f.o.b.)
		US military aircraft		Freight, insurance and other valuation adjustments	Coverage adjustments	
		Arrivals	Payments			
1969	693	–16	+ 5	–68	–14	600
1970	754	– 2	+ 1	–78	–19	657
1969 1st quarter	674	–17	+11	–68	–10	590
2nd quarter	699	–22	+ 5	–68	–16	598
3rd quarter	695	–16	+ 1	–68	–14	598
4th quarter	703	– 8	+ 3	–68	–15	615
1970 1st quarter	716	– 2	+ 0	–72	–19	623
2nd quarter	762	– 3	+ 0	–77	–16	666
3rd quarter	741	– 1	+ 2	–79	–16	647
4th quarter	799	– 2	+ 1	–84	–23	691
1971 1st quarter p	794 r	– 1	+ 2	–87	–19	688
1970 November	805	– 3	+ 3	–84	–24	696
December	794	– 0	—	–85	–27	682
1971 January p	752	– 1	—	–85	–28	638
February p	783	– 1	—	–85	–17	680
March p	847 r	– 2	+ 5	–90	–13	747
April p	832	– 1	—	–86	–14	731
1970 Nov.-Jan. 1971	784	– 2	+ 1	–85	–26	672
1971 Feb.-April	821	– 1	+ 2	–87	–15	719

¶ Components and totals are rounded independently.
§§ These values are derived from the recorded values in Table 4 by the standard seasonal adjustment process.
p Provisional estimates.
r Revised estimates.



UK TRADE, *continued*

Table 4. Overseas trade statistics basis

Recorded values — £ million per month

	Exports‡ f.o.b.	Imports cif	
		Total	Excluding US military aircraft, etc.
1969 1st quarter	555·5	687·2	670·9
2nd quarter	618·8	706·0	686·1
3rd quarter	611·3	676·7	661·2
4th quarter	660·8	701·7	694·1
1970 1st quarter	649·5	715·4	713·5
2nd quarter	688·0	785·0	781·8
3rd quarter	608·5	719·3	718·8
4th quarter	741·6	797·4	795·3
1971 1st quarter	673·4 **r**	811·3 **r**	809·9 **r**
February	595·5	736·1	735·3
March	790·9 **r**	935·0 **r**	932·8 **r**
April **p**	791·7	848·5	847·3

‡ No adjustment has been made in this table for special factors affecting the recording of exports
p Provisional estimates
r Revised estimates

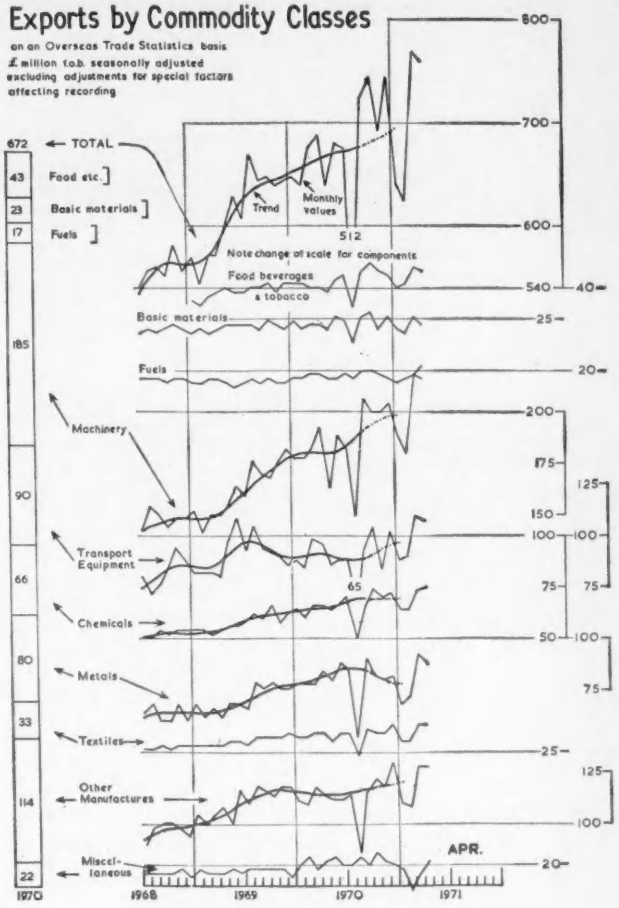


Table 5. Exports: areas‡ – overseas trade statistics basis§

Seasonally adjusted values — £ million f.o.b. per month.

	Total	Sterling Area	Western Europe			North America	Latin America	Soviet Union & Eastern Europe	Rest of World
			Total	EEC	EFTA				
1970	672	186	277	147	107	103	24	22	60
2nd quarter	669	186	276	146	107	98	24	22	61
3rd quarter	638	171	272	146	103	100	22	20	53
4th quarter	726	208	296	156	115	108	26	22	65
1971 1st quarter	678	199	276	145	108	105	23	20	56
February	626	186	249	130	99	95	21	20	53
March	769	227	311	162	125	119	25	22	63
April **p**	760	227	299	156	118	122	30	21	60
1970 Nov.-Jan. 1971	692	197	287	151	111	104	25	20	61
1971 Feb.-April **p**	718	213	286	150	114	112	26	21	59

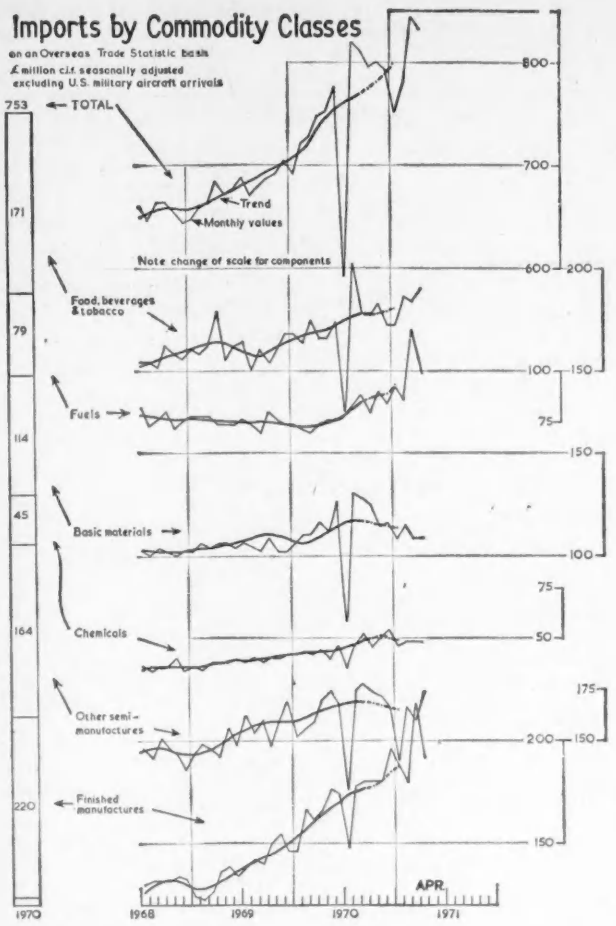
‡ No adjustment has been made in this table for special factors affecting the recording of exports.
p Provisional estimates. § See Note 1 (b).

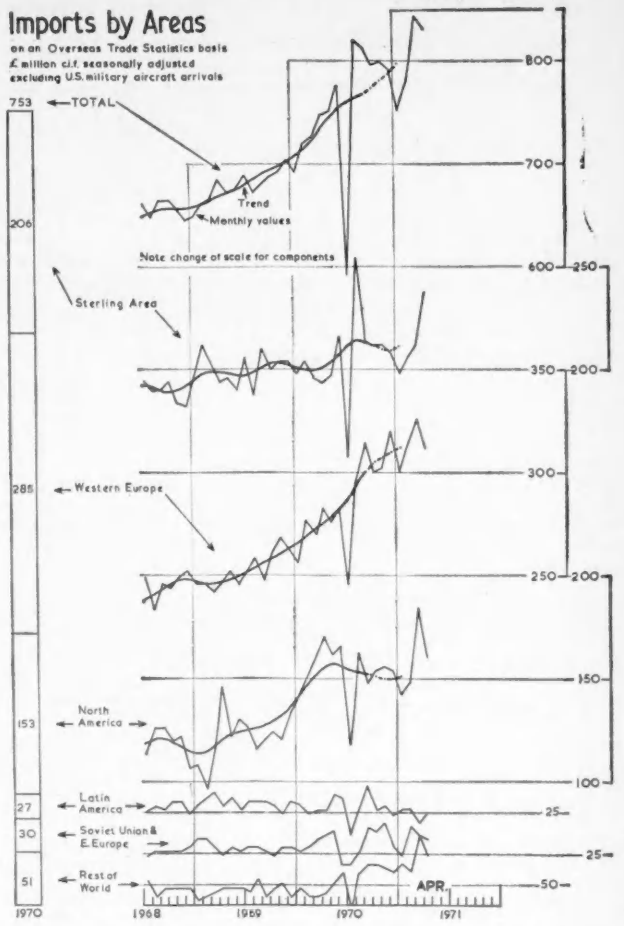
Table 6. Exports: Commodity classes‡ – overseas trade statistics basis§

Seasonally adjusted values — £ million f.o.b. per month

	Total	Food, beverages and tobacco	Basic materials	Fuels	Manufactures									Miscellaneous
						Machinery and transport equipment								
					Total	Total	Machinery	Road motor vehicles	Other transport equipment	Chemicals	Metals & miscellaneous metal manufactures	Textiles	Other manufactures	
1970	672	43	23	17	567	275	185	70	20	66	80	33	114	22
2nd quarter	669	41	23	16	567	273	181	67	23	65	84	33	113	22
3rd quarter	638	41	21	18	536	262	179	65	17	62	76	31	105	21
4th quarter	726	48	25	18	608	296	201	77	21	72	82	35	123	23
1971 1st quarter	678	44	21	16	584	290	195	75	21	67	78	32	115	15
February	626	42	19	16	544	269	180	70	19	64	73	30	108	8
March	769	51	25	18	660	328	219	86	23	73	91	37	127	17
April **p**	760	49	22	21	646	319	216	80	28	75	88	38	128	22
1970 Nov.-Jan. 1971	692	44	22	16	589	287	197	73	20	69	77	34	119	20
1971 Feb.-April **p**	718	47	22	18	616	305	205	79	23	71	84	35	121	16

‡ No adjustment has been made in this table for special factors affecting the recording of exports.
p Provisional estimates. § See Note 1 (b).





Imports deposits

It is announced by HM Customs that net repayments of import deposits in April were £53 million.

NOTES:

1 (a) Trade figures on a balance of payments basis

The seasonally adjusted import and export figures on a balance of payments basis are obtained by making various adjustments to the seasonally adjusted figures derived from those recorded in the monthly Overseas Trade Statistics. These adjustments are summarized in Tables 2 and 3 of this article. Some are valuation adjustments; the principal of these is the deduction from the import figure of freight and insurance costs. The other adjustments relate to coverage, either to bring in items not in the Trade Statistics (for example on the import side ships built and delivered abroad direct to United Kingdom owners) or to remove items which are in the Trade Statistics (mainly returned goods and goods for processing and repair). The adjustment of imports to a balance of payments basis excludes the values of deliveries of United States military aircraft (including spares and some missiles) but includes the payments for those imports which are mainly being financed by a special United States Exim Bank credit. (The values involved are now small). All these adjustments are described in greater detail in the annual 'Pink Book', *United Kingdom Balance of Payments* 1970 (Table 8 and pages 68-71) and in an article in the issue of *Trade and Industry* dated November 4, 1970.

Since firm figures for the adjustments do not become available as quickly as the recorded trade statistics, the figures for imports and exports on a balance of payments basis in the latest months are at this stage preliminary estimates and liable to revision.

1(b) The adjustments described at Note 1(a) are made only for the monthly totals of exports and imports, and cannot be estimated for the area and commodity analyses of trade. The values of total trade and the main components of exports and imports in Tables 5 to 8 are available only on the Overseas Trade Statistics basis and correspond with the totals given in the first columns of Tables 2 and 3. Whereas comment on total trade relates to total exports and imports on a balance of payments basis, analyses of the area and commodity patterns of trade in this article are based on the figures on the Overseas Trade Statistics basis in Tables 5 to 8. The main components of trade are seasonally adjusted independently from the totals and in consequence do not always add exactly to the seasonally adjusted totals.

1 (c) Visible balance

The visible balance is the difference between the import and export figures on a balance of payments basis obtained as described in Note 1(a) above. Since, as noted above, the import and export figures for the most recent months are provisional, it follows that the monthly visible balances for these months are also provisional and liable to revision.

The monthly figures for the visible balance are published only on a seasonally adjusted basis. Since the balance is the difference of two large and variable figures, it is itself liable to fluctuation and undue significance should not be attached to a single month's figure; it is more useful to consider the average balance over three or more months.

1 (d) Trends

Even after allowing for seasonal influences, the sequence of monthly figures is usually too variable to give a satisfactory indication of the underlying trend. While it is possible to construct elaborate estimates of trends these cannot be applied to the most recent months, and a simple method of giving some guidance on underlying movements in the most recent past is to take averages of three months. These averages, for the month in question and the

(Continued on next page)

UK TRADE, *continued*

Table 7. Imports: Commodity classes – overseas trade statistics basis§

Seasonally adjusted values

£ million c.i.f. per month

	Total	Total excluding US military aircraft, etc.	Food, beverages and tobacco	Fuels	Industrial materials				Finished manufactures		Miscellaneous
					Total	Basic materials	Chemicals	Other semi-manufactures	Total	Excluding US military aircraft, etc.	
1970	754	752	171	79	323	114	45	164	173	171	9
2nd quarter	762	759	169	75	332	119	43	170	175	172	9
3rd quarter	741	740	170	83	312	108	45	159	169	169	8
4th quarter	799	797	177	85	340	119	50	171	186	185	10
1971 1st quarter	794	792	181	100	312	110	48	154	197	195	7
February	783	783	187	86	329	114	49	166	181	180	3
March	847	845	184	120	317	109	49	159	219	217	14
April p	832	831	190	99	331	109	48	174	193	191	11
1970 Nov.-Jan. 1971	784	782	176	89	323	113	50	160	189	188	9
1971 Feb.-April p	821	819	187	102	326	111	48	166	198	196	9

p Provisional estimates. § See Note 1 (b).

Table 8. Imports: Areas – overseas trade statistics basis§

Seasonally adjusted values

£ million c.i.f. per month

	Total	Total excluding US military aircraft, etc.	Sterling Area	Western Europe	North America		Latin America	Soviet Union and Eastern Europe	Rest of World
					Total	Excluding US military aircraft, etc.			
1970	754	752	205	285	155	153	27	30	51
2nd quarter	762	759	203	280	169	166	31	30	51
3rd quarter	741	740	208	285	143	143	26	28	31
4th quarter	799	797	211	307	156	154	26	35	58
1971 1st quarter	794	792	206	314	159	158	24	31	63
February	783	783	207	315	149	148	26	39	56
March	847	845	212	326	186	184	21	33	73
April p	832	831	238	312	162	161	25	32	64
1970 Nov.-Jan. 1971	784	782	206	307	152	150	26	31	58
1971 Feb.-April p	821	819	219	318	166	164	24	35	64

p Provisional estimates. § See Note 1 (b).

two preceding months, are given in Table 1A. Although they are still sensitive to irregular movements in the monthly figures and to special influences, they are markedly less variable than the monthly figures. Apart from occasions when major disturbances distort the flow of trade, the three-monthly average gives a quite good short-term guide and has the merit of simplicity.

1 (e) Recording of exports

The Secretary of State for Trade and Industry announced in the House of Commons on November 16 that some under-recording of exports had re-emerged in 1970. The text of his announcement and an article on under-recording were published in *Trade and Industry* of November 25, 1970. In reply to a Parliamentary Question on February 1, 1971 the Secretary of State said: 'There is no evidence to suggest that under-recording in recent months has differed from the estimate of 2 per cent indicated by the checks so far made of export documents received against ship and aircraft manifests: results of these checks are now available covering months up to September 1970.' Checks covering October to December 1970 do not suggest any change in the level of under-recording.

Proposals for new arrangements to ensure the full recording of exports were described in *Trade and Industry* of May 5. These arrangements are expected to come into operation in the autumn; meanwhile, comprehensive manifest checks will continue.

The figures in this article for total exports (except in Tables 4, 5 and 6) and in consequence, for the visible balance include from January 1970 an addition of 2 per cent to the value of exports as an allowance for under-recording. It is not possible to make estimates of the extent of under-recording on exports to different areas or of different commodity classes, and the figures in the Overseas Trade Statistics will not be adjusted.

For an account of special factors relating to the earlier under-recording of exports and net figures of adjustments on this account up to October 1969, see page 1392 of the *Board of Trade Journal* for May 20, 1970, on United Kingdom Trade in April.

2 Detailed particulars of United Kingdom imports and exports will be published on May 27 (a), and further analysis of the figures will be found in Tables in the *Monthly Digest* for June (b), due to be published in the second week of July 1971.

(a) Overseas Trade Statistics of the United Kingdom, published by HMSO, price £1·85 (Annual subscription £25·05).
(b) Monthly Digest of Statistics, published by HMSO, price 60p (Annual subscription) £7.75.

USING EFTA

Opportunities for the British businessman in the free markets of EFTA are described in 'Using EFTA', published by the EFTA Secretariat in Geneva. This 161 page book provides basic information for the new exporter, outlines the procedures for claiming EFTA tariff treatment and gives useful facts and figures about individual EFTA countries. Copies, together with other EFTA publications (including the Secretariat's regular EFTA Bulletin) can be obained free of charge from the Department of Trade and Industry EFTA Information Centre, 1 Victoria Street, London, SW1H 0ET (Tel. 01-222 7877, Ext. 2479/80).

WHOLESALE PRICE INDEX NUMBERS

Marked rise in fuel prices in April

THE PROVISIONAL PRICE INDEX for basic materials and fuel used in the manufacturing industry rose 1½ per cent in April and was 4½ per cent higher than a year earlier. The April increase was mainly the result of higher prices for coal and electricity: the overall index for fuel used in manufacturing industry rose 5 per cent bringing the increase in the past 12 months to 14½ per cent.

The provisional price index for home sales of manufactured products rose ½ per cent in April. This brought the increase so far this year to about 2½ per cent, not significantly different from that recorded during the corresponding period a year ago.

Materials and fuel purchased by broad sectors of industry (Table 1)

The provisional price index for the food manufacturing industries fell slightly in April after more marked reductions in the two preceding months; the April index was 4 per cent higher than a year earlier. Index numbers for all the non-food sectors rose in April. Increases were most marked in the engineering sectors, with index numbers higher by 3 per cent mainly owing to increased steel and copper costs. Increases of about 2 per cent in the index number for the steel industries, 1 per cent in those for chemicals and textiles and ½ per cent in the index for the paper industries mainly reflected higher prices for coal, coke and electricity. Index numbers for the timber industries and for construction materials rose by 1 per cent due to higher prices for a number of materials, but that for clothing and footwear was little changed.

NOTES ON WHOLESALE PRICE INDEX NUMBERS

(1) Detailed notes on index numbers of wholesale prices are published in the annual article. They were last shown in *Trade and Industry* of February 24, 1971.

(2) The index numbers are constructed on a net sector basis. That is to say, the price movements used to compile the index for a particular sector of industry are only those relating to transactions between the sector and other sectors. Transactions between undertakings in the same sector are excluded. Thus index numbers for the whole of manufacturing industry are not weighted averages of sector index numbers.

(3) Correspondence about wholesale price index numbers should be addressed to Statistics Division, DTI, Room 610, Sanctuary Buildings, Great Smith Street, London, S.W.1. Telephone inquiries for price index numbers should be made to 01-222 7877, Ext. 3549 Engineering), 3548 (Non-Engineering) and 3411 for all other information.

Output of broad sectors of industry home sales (Table 2)

Provisional price index numbers for all broad sectors except the timber industries rose in April. The index for the steel industries rose by 4 per cent but increases in other sectors amounted to between ¼ and ½ per cent. Compared with April last year price index numbers for most sectors have risen between 7½ and 10 per cent, with a slightly smaller increase of 6 per cent for clothing and footwear and one of 4 per cent for the textile industries.

Table 1. Price index numbers of materials purchased **1963 = 100**

1968 SIC		1970				1971	1970					1971			
		1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	1st qtr. p	Apr.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar. p	Apr. p
	Materials purchased by manufacturing industry														
Orders III to XIX	Basic materials and fuel used in manufacturing industry:	126·3	126·1	124·9	127·3	129 7	126·8	125·9	125·8	128·0	128·1	129·6	129·2	130·3	132·4
	Basic materials	126·7	126·5	124·9	126·8	128·9	127·2	126·0	125·9	127·3	127·4	129·1	128·4	129·5	130·7
	†Fuel	124·0	124·0	124·8	129·9	133·8	124·0	125·1	125·1	132·3	132·3	132·5	133·5	135·3	142·1
Orders IV to XIX	Basic materials and fuel used in manufacturing industry, other than food, drink, and tobacco manufacturing industries	130·1	129·2	127·0	127·8r	131·2	130·4	127·4	126·5	128·4	128·5	129·8	130·6	133·2	136·5
	Basic materials other than fuel	131·5	130·5	127·5	127·3r	130·6	131·9	127·9	126·8	127·5	127·6	129·2	130·0	132·7	135·2
	Materials and fuel purchased by Selected Broad Sectors of Industry														
211-229	Food manufacturing industries	119·4	120·8	121·6	126·5	127·4	120·4	123·3	124·6	127·1	127·7	129·6	126·9	125·6	125·2
Order V	Chemicals and allied industries	120·7	122·4	123·7	127·8	131·3	122·1	124·2	125·7	128·6	129·1	130·3	131·3	132·3	133·2
311 and 312	Steel industries	123·3	125·2	127·8	131·7	135·4	124·1	130·8	130·7	132·1	132·3	134·4	135·3	136·3	139·1
Order VII (excluding MLH 342)	Mechanical engineering industries	136·6	138·8	137·2	138·9	140·4	139·6	137·3	137·9	139·2	139·5	139·8	140·0	141·4	145·5
Order IX	Electrical engineering industries	158·7	159·1	150·7	146·0	146·7	162·8	149·2	147·1	145·9	145·0	144·8	146·0	149·2	153·8
361	Electrical machinery industry	147·5	150·6	147·0	146·2	147·1	151·5	146·4	145·9	146·3	146·1	146·3	146·6	148·4	152·5
Order XIII	Textile industries	103·6	104·2	104·3	103·8	105·5	103·8	103·6	102·4	104·5	104·6	105·1	105·4	106·2	107·2
Order XV	Clothing and footwear industries	117·6	119·9	121·6	122·6	124·0	119·4	122·0	122·2	122·7	122·9	123·7	124·0	124·4	124·7
Order XVII	Timber industries	131·6	134·0	135·6	137·4	139·4	133·4	136·1	136·6	137·5	138·0	138·7	139·6	140·1	141·2
481-484	Paper industries	129·4	131·5	135·5	137·3r	139·7	130·6	135·9	136·2	137·8	137·8	139·3	139·9	140·2	140·9
Order XX	Construction materials	124·9	128·2	130·4	133·1r	136·0	127·4	130·6	132·4	133·2	133·8	134·5	136·1	137·2	138·6
Part of Order XX	House building materials	127·1	130·2	132·9	135·5r	138·3	129·3	133·3	134·8	135·5	136·2	137·0	138·5	139·5	140·7

† Coal (except for carbonising gas), gas and electricity. Crude oil and coal for carbonising are included in basic materials.

(Continued on next page)

WHOLESALE PRICE INDEX NUMBERS, *continued*

Table 2. Price index numbers of output **1963 = 100**

1968 SIC		1970 1st qtr.	1970 2nd qtr.	1970 3rd qtr.	1970 4th qtr.	1971 1st qtr. p	1970 Apr.	1970 Sept.	1970 Oct.	1970 Nov.	1970 Dec.	1971 Jan.	1971 Feb.	1971 Mar. p	1971 Apr. p
Orders III to XIX	**Output of Manufactured Products**														
	Total sales	125·1	127·6	129·7	132·8	135·6	126·9	130·3	131·5	132·9	133·9	135·1	135·7	136·1	136·6
	Home sales	124·2	126·6	128·7	131·4	134·3	126·0	129·4	130·4	131·5	132·4	133·7	134·4	134·8	135·5
Orders IV to XIX	Products of manufacturing industries other than food, drink and tobacco manufacturing industries: Total sales	122·9	125·8	128·0	131·2	134·2	125·2	128·6	130·0	131·3	132·2	133·5	134·3	134·7	135·2
	Home sales	120·6	123·6	125·7	128·4r	131·5	122·9	126·4	127·5	128·5	129·1	130·7	131·6	132·1	132·8
	Output of Selected Broad Sectors of Industry														
211-229	Products of the food manufacturing industries: Home sales	124·1	126·3	129·4	133·2	136·8	125·2	130·6	131·4	133·3	134·9	136·5	136·7	137·0	137·9
Order V	Chemicals and allied industries: Total sales	112·0	114·2	116·4	118·3	121·1	113·7	116·6	117·7	118·7	118·5	120·1	121·5	121·8	122·3
	Home sales	108·3	110·3	112·3	113·7	116·9	109·8	112·6	113·3	113·7	114·0	115·5	117·5	117·8	118·6
311 and 312	Steel industries: Total sales	127·1	129·8	130·2	134·4	134·7	129·8	130·7	132·9	135·1	135·3	134·6	134·7	134·8	139·2
	Home sales	127·2	130·0	129·6	133·8	134·7	130·4	129·8	132·0	134·6	134·6	134·7	134·7	134·8	140·2
Orders VII to XII	Engineering and allied industries: Total sales	124·5	128·1	130·1	134·2	137·2	127·3	131·1	132·6	134·3	135·6	136·6	137·4	137·6	138·1
	Home sales	123·3	127·2	129·3	132·0	134·7	126·3	130·0	131·0	132·2	133·0	134·1	134·8	135·2	135·9
Order VII (excluding MLH 342)	Mechanical engineering: Home sales	126·3	130·3	133·5	136·8	139·8	129·4	134·5	135·7	136·9	137·9	139·0	139·9	140·6	140·9
Order IX	Electrical engineering: Home sales	121·7	126·0	127·7	130·2	132·9	124·5	128·2	129·0	130·3	131·0	133·2	133·2	133·2	134·2
Order XIII	Textiles industries: Total sales	114·6	116·4	117·9	118·8	120·2	116·1	118·1	118·5	118·9	118·9	120·0	120·1	120·4	120·6
	Home sales	113·1	115·3	117·1	117·8	119·1	114·8	117·4	117·6	117·9	118·0	118·7	119·1	119·4	119·7
Order XV	Clothing and footwear: Home sales	113·3	114·6	115·7	118·8	120·6	114·2	116·0	118·5	118·9	119·0	120·1	120·7	121·0	121·1
Order XVII	Timber industries: Home sales	127·2	129·7	132·0	134·5	140·1	129·0	132·6	133·4	134·4	135·6	138·8	140·7	140·8	140·8
481 484	Paper industries: Home sales	125·7	128·2	132·6	135·4	137·6	127·8	134·2	134·9	135·5	135·8	136·8	137·4	138·4	138·7
Order XX	New construction‡	126	131	133	135			133			135				

‡ Index of building costs relate to average for the quarter.

Table 3 (a) Commodities produced in the United Kingdom 1963 = 100

1968 SIC		1970 Apr.	1971 Jan.	1971 Feb.	1971 Mar. p	1971 Apr. p
101	Coal	128·9	145·7	145·7	145·7	150·9
102/2	Slates	120·6	150·5	150·5	150·5	..
190/3	Salt	93·9	104·6	104·6	104·6	107·8
211	Flour	122·5	130·1	130·1	130·1	130·1
216	Sugar refined	94·7	103·8	100·2	101·7	105·1
217	Chocolate and sugar confectionery	133·0	139·7	139·6	141·0	141·7
231	Beer	145·3	153·3	153·2	153·2	153·2
240	Tobacco and cigarettes	138·4	139·5	139·9	139·9	139·9
262	Motor spirit, Two Star (including duty)§	146·5	152·5	153·2	155·0	155·0
262	Medium fuel oil (950 secs.)	108·1	132·6	135·0	141·1	141·1
263	Lubricating oil and greases	113·3	120·7	123·6	123·6	124·9
271	General chemicals	106·0	110·5	113·4	114·2	114·5
272	Pharmaceutical chemicals	103·7	110·0	110·4	112·0	112·0
272	Pharmaceutical preparations	96·0	98·2	98·4	98·5	100·3
273	Toilet preparations	128·8	136·7	136·7	136·8	138·7
274	Paint	110·5	117·5	123·6	123·6	123·7
275	Soap	130·4	139·1	139·0	139·1	140·0
275	Soapless detergents	108·7	113·2	113·4	114·0	116·8
276/1	Synthetic resins and plastics materials	98·4	102·2	103·3	103·4	103·4
279/7	Photographic paper and films and photochemical materials	119·6	124·8	126·4	127·2	127·6
311/2	Steel sheets	121·9	128·1	128·1	128·1	133·0
311/2	Tinplate	126·5	134·2	134·2	134·2	140·2
311/2	Other finished steels	131·4	134·6	134·6	134·8	140·5

§ Formerly classified 'Standard Grade'.

Government Publications

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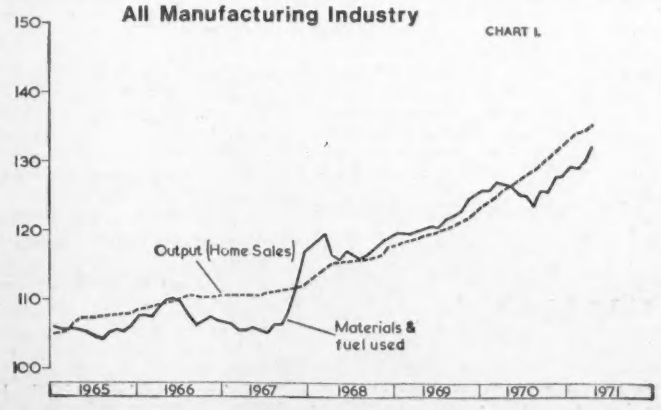
Table 3(a). *continued*) **Commodities produced in the United Kingdom** **1963 = 100**

1968 SIC		1970	1971			
		Apr.	Jan.	Feb.	Mar. p	Apr. p
312	Steel tubes	139·7	146·8	146·8	146·8	151·1
313/3 and 313/4	Iron castings	127·3	135·8	136·2	138·0	139·0
321	Aluminium and aluminium alloy products:					
	Rolled	139·1	148·9	148·9	148·9	148·9
	Extruded and drawn	137·8	152·0	152·0	152·0	152·0
	Castings	151·1	153·0	153·0	162·9	162·9
	Forgings	129·6	140·0	140·0	140·0	140·0
322	Brass ingot 65-35 B.S. 1400: B.3 delivered	297·1	208·5	201·3	212·5	231·1
331	Agricultural machinery	124·5	132·9	133·3	133·7	133·7
353/1	Dental goods	136·1	141·5	142·9	141·1	141·5
365/1	Gramophone records, etc.	103·2	109·4	111·6	111·6	111·6
368	Domestic electrical appliances	108·2	114·9	116·7	116·9	118·1
391	Tools and implements	134·2	146·0	146·3	148·5	149·5
392	Cutlery, spoons and forks	130·0	140·0	139·9	139·9	139·9
	Cutlery (other than razors and razor blades)	135·9	147·8	147·2	147·3	147·3
	Spoons and forks	156·6	169·0	169·0	169·0	169·0
399/6	Domestic hollow-ware	157·2	176·5	177·5	177·6	177·6
399/7	Vats tanks, cisterns and other industrial hollow-ware	129·7	136·1	136·1	136·1	136·1
411	Man-made fibres	89·1	92·1	92·8	92·6	92·6
412, 414/5 and 415	Man-made fibres yarns	106·4	113·5	114·2	114·5	114·8
412/1	Cotton and cotton mixture yarns	142·4	147·5	147·7	..	..
413/1	Cotton cloth	142·6	148·0	148·5	..	..
413/5	Man-made fibres fabrics	112·5	116·0	116·8	116·9	117·0
413/6	Linen	133·0	142·0	142·8	142·8	142·8
414/1	Wool tops	83·4	72·9	72·6	72·6	72·7
414/2	Worsted yarn	101·5	96·8	97·3	97·1	97·8
415/1	Jute yarn	153·7	159·6	158·2	155·9	155·9
415/2	Jute piece-goods	147·0	147·0	147·0	147·0	147·0
416	Rope, twine and net	103·2	110·5	111·0	111·2	111·7
417	Hosiery and other knitted goods	98·5	100·8	100·9	100·8	100·8
419	Carpets and rugs	118·8	122·4	122·5	123·6	124·7
422/2	Canvas goods and sacks	109·9	116·7	117·4	117·4	117·4
431/1	Leather for footwear	136·1	135·7	134·0	134·0	134·6
432/1	Travel goods	124·0	134·8	134·7	134·7	134·7
441-449	Made-up clothing	113·5	120·2	120·7	120·8	120·8
441	Weatherproof outerwear	107·9	111·3	111·9	112·1	112·1
442	Men's and boys' tailored outerwear	112·0	123·1	124·2	124·2	124·2
443	Women's and girls' tailored outerwear	116·9	120·8	120·8	120·8	120·8
445/1	Women's and girls' light outerwear	115·5	118·9	118·8	118·8	118·8
450	Footwear	115·4	119·1	120·2	120·9	121·5
461/1	Refractory goods, including bricks	121·3	132·2	136·1	137·6	137·6
461/2	Non-refractory goods, including bricks	115·5	128·7	132·8	134·0	134·5
	Building bricks, fletton, common, *delivered*	125·9	145·8	145·8	145·8	145·8
	Building bricks, common, other than fletton, *ex-works*	123·4	137·9	143·1	145·1	145·9
462/3	Domestic china and earthenware	139·0	151·4	151·4	151·4	157·2
463/1	Glass (other than containers)	115·8	126·6	127·0	131·2	131·2
463/2	Glass containers	117·2	131·0	132·2	132·2	132·2
464	Cement, delivered	126·9	137·8	137·8	137·8	137·8
469/1	Abrasive paper and cloth	120·2	128·8	128·8	128·8	128·8
469/2	Cast stone and cast concrete products	113·7	125·2	124·8	124·8	124·8
471/1	Home-grown hardwood, sawn	118·1	127·3	128·0	127·7	127·9
471/2	Building joinery	137·9	152·0	152·6	152·6	152·6
472	Domestic furniture	126·4	135·2	136·0	136·0	136·0
473	Bedding, etc.	126·9	136·0	144·4	144·5	144·5
481	Paper and board	126·3	134·7	135·5	135·7	135·7
482/1	Cardboard boxes, cartons and fibreboard packing cases	134·7	144·0	144·8	145·9	146·3
482/2	Packaging products of paper etc.	124·0	132·4	132·4	133·2	133·2
	Paper bags	121·3	130·8	130·8	133·1	133·1
483	Manufactured stationery	128·9	141·1	141·9	145·7	146·7
484/1	Wallpaper	142·8	149·1	149·1	149·1	149·1
491/1	Rubber tyres and tubes	117·9	131·0	132·4	132·4	132·9
491/2	Rubber goods (other than tyres and tubes)	123·4	133·2	135·9	137·1	137·3
492	Linoleum and felt base	139·9	147·8	148·5	148·5	148·5
493	Brushes and brooms	126·0	129·7	130·5	130·8	130·8
494/1	Toys and games	126·9	136·4	137·8	138·1	138·3
494/2	Perambulators, etc.	124·4	132·1	132·1	133·3	133·3
494/3	Sports equipment	116·9	121·6	121·9	121·9	..
495/1	Pens and pencils	117·2	123·9	125·7	125·7	125·7
495/2	Other stationers goods	118·0	130·0	130·0	130·0	130·0
496/2	Plastics products (other than components and accessories)	97·5	102·5	103·2	103·2	103·2



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WHOLESALE PRICE INDEX NUMBERS, *continued*

Table 3 (b). Commodities wholly or partly imported into the United Kingdom **1963 = 100**

	1970	1971			
	Apr.	Oct.	Feb.	Mar.	Apr.
Hides and skins	139·0	126·4	122·6	127·4 p	140·3 p
Imported	141·5	128·6	132·8	135·8 p	143·6 p
Native	135·6	123·4	108·7	116·0	135·9
Non-ferrous metals:					
Aluminium, virgin ingot delivered	143·3	144·4	144·4	144·4	144·4
Copper, ex-ship, wharf or warehouse†	314·5	207·8	183·7	206·4	226·4
Lead, ex-ship, wharf or warehouse†	214·1	190·1	177·1	178·3	178·5
Nickel, refined, delivered§	187·0	191·2	194·2	194·2	194·2
Tin ingot, min. 99·75%†	179·1	170·8	161·2	164·1	165·8
Zinc, ex-ship, wharf or warehouse†	161·6	163·4	149·8	156·3	156·3
Oils, resins and gums:					
Palm oil, c.i.f., in bulk	125·4	119·8	135·1	134·7	132·6
Whale oil, crude	166·5	177·5	178·1	178·1	127·6
Pyrites, c.i.f., UK ports	149·7	153·8	150·9	150·9	..
Natural rubber	92·6	78·4	76·9	76·6	78·2p
Sulphur, crude (for acid making, c.i.f.)	124·9	124·9	124·9	124·9	..

	1970	1971			
	Apr.	Oct.	Feb.	Mar.	Apr.
Textiles:					
Cotton, raw	106·0	109·9	114·6	114·9	115·2
Jute, raw, PWC grades, c.i.f. Dundee	162·6	156·0	158·3	159·3	..
Jute, raw, PWB grade, c.i.f. Dundee	149·2	144·9	146·3	146·3	..
Silk, raw, delivered mill	170·9	164·8	161·8	158·6	159·2 p
Sisal, East Africa, No. 1 grade, c.i.f. London	46·1	43·0	50·9	51·4	53·0 p
Wool, raw	78·3	66·9	67·0	68·1 p	68·4 p
Crossbred, medium and coarse, c.i.f. UK	69·0	60·6	61·9	65·9	66·4 p
Crossbred, fine, c.i.f. UK	76·3	67·1	68·1	69·2	69·8
Merino, c.i.f. UK	84·3	69·6	69·8	69·8	69·8
Timber:					
Imported hardwood (ex-yard or wharf)	138·0	140·0	143·3	144·0 p	144·0 p
Imported plywood (delivered to consumers)	143·1	143·1	..	..	..
Imported softwood (delivered to consumers)	137·2	140·8	142·6 p	143·0 p	..
Woodpulp, imported	137·5	146·6	150·0	150·1 p	149·7 p

† L.M.E. settlement price
§ Producers' price

INDEX NUMBERS OF WHOLESALE PRICES

The index numbers of wholesale prices relating to 1963 = 100 *supersede those previously published on the base* 1954 = 100. *For the convenience of those who use the index numbers in long-term contracts to take account of changes in the costs of materials, the DTI will continue to publish indices relating to materials used in broad sectors of industry on the base* 1954 = 100 *until December* 1971. *From January* 1969 *the index numbers in the accompanying table have been given the month to month movements of the equivalent index in the* 1963 = 100 *Series. For users of other* 1954 *based index numbers who wish to continue the series in this way, conversion factors will be provided on request.*

Price index numbers of materials purchased **1954 = 100**

1958 SIC		1971 Jan.	Feb.	Mar. p	Apr. p
	MATERIALS PURCHASED BY MANUFACTURING INDUSTRY				
Orders III to XVI	Basic materials and fuel used in manufacturing industry	132·7	132·3	133·4	135·5
	Basic materials	127·1	126·4	127·4	128·7
	Fuel	175·8	177·1	179·5	188·5
Orders IV to XVI	Basic materials and fuel used in manufacturing industry other than food, drink and tobacco manufacturing industries	133·2	134·1	136·6	140·0
	Basic materials other than fuel	125·9	126·6	129·1	131·6
	MATERIALS AND FUEL PURCHASED BY SELECTED BROAD SECTORS OF INDUSTRY				
211 to 229	Food manufacturing industries	131·8	129·1	127·8	127·4
263 to 277	Chemicals and allied industries	140·0	141·1	142·1	143·1
331 to 349 (excluding 342)	Mechanical engineering industries	184·7	185·0	186·8	192·2
361	Electrical machinery industry	176·4	176·7	178·9	183·8
Order X	Textile industries	102·2	102·5	103·2	104·3
Order XIV	Timber industry	153·6	154·6	155·0	156·4
481 to 483	Paper industries	147·2	147·8	148·1	148·9
Order XVII	Construction materials	164·8	166·7	168·1	169·7
Part of Order XVII	House building materials	168·1	169·9	171·2	172·7

Food Manufacturing Industries CHART 3.

Business Monitor

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A complete list of titles of Business Monitors was last published in *Trade and Industry* on March 31, 1971, on page 679.

Acquisitions and mergers of companies

Table 1. Acquisitions and mergers within the United Kingdom

	Acquisitions of independent Companies			Mergers†			Total (1 and 2)			Sales of subsidiaries between Company Groups			Total number of acquisitions		
	No.	No.	Values	No.	No.	Value	No.	No.	Value	No.	No.	Value	No.	No.	Value
	Acquiring	Acquired	£ million	Acquiring	Acquired	£ million	Acquiring	Acquired	£ million	Acquiring	Acquired	£ million	Acquiring	Acquired	£ million
1969	593	742	961·6	2	2	7·6	595	744	969·2	91	102	99·7	686	846	1,068·9
1970	484	608	954·1	5	5	32·5	489	613	986·6	140	181	150·9	629	794	1,137·5
1969 1st quarter	163	208	358·7	1	1	1·9	164	209	360·6	26	26	42·3	190	235	402·9
2nd quarter	164	213	265·9	1	1	5·7	165	214	271·6	18	22	14·3	183	236	285·9
3rd quarter	136	164	206·9				136	164	206·9	23	23	19·3	159	187	226·2
4th quarter	130	157	130·1				130	157	130·1	24	31	23·8	154	188	153·9
1970 1st quarter	128	160	223·1	1	1	25·5	129	161	248·6	35	46	55·6	164	207	304·2
2nd quarter	128	168	388·1	1	1	4·0	129	169	392·1	26	34	43·0	155	203	435·1
3rd quarter	116	144	220·7				116	144	220·7	33	34	12·1	149	178	232·8
4th quarter	112	136	122·2	3	3	3·0	115	139	125·2	46	67	40·2	161	206	165·4
1971 1st quarter	89	110	62·1	—	—	—	89	110	62·1	43	49	27·7	132	159	89·8

† A merger is reckoned as the acquisition of the smaller company by the larger company involved in the transaction and valued at the market value of the smaller company's share of the newly formed company.

THIS NOTE sets out the latest statistics on company acquisitions and mergers, giving details up to and including the first quarter of 1971. The statistics are presented in a revised form.

Acquisition activity within the United Kingdom was at a low ebb in the first quarter of 1971 (see Table 1). There were just under 160 acquisitions reported, compared with a quarterly average of just under 200 during 1970, involving an expenditure of £90 million, only about a third of the quarterly average during 1970. The substantial fall in expenditure was mainly due to the relative absence of large acquisitions during the quarter: only three acquisitions involved an expenditure of £5 million or more, compared with an average of 10 such acquisitions a quarter during 1970.

The number of inter-group sales, now distinguished for the first time, was only slightly below the 1970 quarterly average in the first quarter of 1971, although expenditure fell by about a quarter. There was a more substantial fall in the number and value of acquisitions of independent companies, which were respectively 30 per cent and 75 per cent below their 1970 quarterly averages.

The fall in acquisition activity in the first quarter showed itself in most industries. The main exception was transport and communication, where there were some unusually large transactions.

Nearly 44 per cent of expenditure on acquisitions in the first quarter of 1971 (see Table 2) was in the form of cash, nearly twice as high a proportion as during 1970. The proportions of expenditure in the form of issues of ordinary shares (40 per cent) and of fixed interest securities (17 per cent) were both below their levels during 1970. The rise in the proportion of cash expenditure reflected the growth in the relative importance of inter-group sales which tend to be financed in cash (70 per cent of such expenditure in the first quarter was in cash), and the absence of any very large mergers which tend to be effected by an exchange of shares.

Although the number of company amalgamations within the United Kingdom was at a relatively low level during the first quarter of 1971, the number and value of acquisitions of foreign companies continued near to the relatively high levels reached during the second half of 1970. Two overseas acquisitions involved an expenditure of more than £5 million, the largest being the acquisition of the United States company, S. E. Massengill by the Beecham Group for nearly £23 million.

Acquisitions of United Kingdom companies by foreign companies were at a relatively low level during the first quarter, numbering only five with an expenditure of about £9 million.

Revision to quarterly series

A number of revisions have been made to the previously published quarterly series on company amalgamations involving non-financial companies derived from press reports. The main change of substance has been to value mergers in which a new company is established to take over the assets of two or more previously independent companies as though the larger of the companies had acquired the smaller company (or companies). The larger company was determined by its share in the issued share capital of the new company and the merger was valued at the market price of the smaller company's (or companies') share of the issued share capital at the first date of quotation. This change attempts to treat mergers effectively in an equivalent way to acquisitions in which one company purchases a controlling interest in another.

Two important changes in presentation have been made. The main analysis in Table 1 is now restricted to acquisitions of United Kingdom companies by United Kingdom companies. Acquisitions across national borders (i.e. of foreign companies by United Kingdom companies and of United Kingdom companies by foreign companies) are shown in the *Business Monitor*. Acquisitions within the United Kingdom now distinguish acquisitions of previously independent companies from sales of existing subsidiary companies between company groups.

Although the revised treatment of mergers and the exclusion of

(*Continued on next page*)

Table 2. Categories of expenditure on acquisitions and mergers within the United Kingdom

	Expenditure (£ million)				Percentages of expenditure		
	Total	Cash	Issues of ordinary shares	Issues of fixed interest securities	Cash	Ordinary shares	Fixed interest securities
1969	1,069	296	552	221	*27·7*	*51·6*	*20.7*
1970	1,137	251	611	275	*22·1*	*53·7*	*24·2*
1971 1st qtr.	89·8	39·2	35·6	15·1	*43·7*	*39·6*	*16·8*

Table 3. Acquisitions and mergers of industrial and commercial companies since 1964

Value in £ million

		Acquisitions		Mergers†		Total	
		Number	Value	Number	Value	Number	Value
Quoted companies‡ (company accounts)	1964	939	502	1	3	940	505
	1965	995	507	5	10	1,000	517
	1966	805	447	3	55	808	502
	1967	763	822	—	—	763	822
	1968	942	1,774	4	172	946	1,946
Quoted companies‡ (press reports)	1968	630	1,779	4	172	634	1,951
	1969	609	900	2	8	611	908
All industrial and commercial companies (press reports)	1969	844	1,061	2	8	846	1,069
	1970	788	1,096	6	42	794	1,137

† A merger is reckoned as the acquisition of the smaller company by the larger company involved in the transaction and valued at the market value of the smaller company's share of the newly formed company.

‡ Excluding companies mainly operating abroad and agricultural, shipping and (in the first series up to 1968) property companies.

ACQUISITIONS AND MERGERS OF COMPANIES, *continued*

More detailed tables, including the industrial analysis hitherto published in *Trade and Industry*, are now being published once a quarter in the Business Monitors series (Business Monitor M7, Acquisitions and Mergers of Companies, obtainable from HMSO, P.O. Box 569, LONDON, SE1, for an annual subscription of 37½p.)

acquisitions of foreign companies has led to generally lower figures in Table 1 than those previously published, the quarterly pattern since the beginning of 1969 remains basically unchanged, with a tendency for activity to be greater in the first half of the year, and only a slightly higher level of expenditure in 1970 than in 1969.

The fall in the total number of acquisitions between 1969 and 1970 resulted from a substantial fall in the number of independent companies acquired (down nearly a fifth) which was partly offset by a large rise in the number of inter-group sales of subsidiary companies (181 in 1970 compared with 102 in 1969). Expenditure on acquiring independent companies rose only marginally between 1969 and 1970 (2 per cent) which probably represented a small fall in real terms. The value of inter-group sales, however, rose by well over a half.

Table 3 shows how the most recent figures compare with those compiled, on a different basis, for earlier years.

NOTES AND DEFINITIONS

This analysis of acquisitions and mergers of industrial and commercial companies in the United Kingdom is based on reports in the financial press supplemented by special inquiries to determine the form, value and timing of particular acquisitions.

Acquisitions and mergers involving financial companies (insurance, banking, etc.) are not covered in this analysis. The Bank of England has prepared an analysis of such acquisitions from 1968 which will be published shortly.

Valuation

The values shown relate in general to expenditure during the current period, excluding any previous investment in the company acquired. Where possible, values are market values, i.e., the cash paid or the market price at date of issue of shares or loan stock issued. Where market values are not available (as in the case of shares, etc., issued by non-quoted companies) or the cash consideration is not disclosed, acquisitions are in general valued at the net book value of the acquired company. Where payment is to be made over a period, the full value is recorded in the period when the transaction was finalized.

No method of valuing acquisitions is altogether free from objection and in comparing this series over time one must allow, in addition to the general upward inflation of values, for the considerable short-term fluctuations in share prices which will be reflected in a series where a considerable proportion of expenditure takes the form of share exchanges which are valued at market prices. Industrial share prices as measured by the Financial Times-Actuaries index, fell by more than 10 per cent between 1969 and 1970.

Classification

Where the acquired company was a subsidiary of another United Kingdom company, the transaction is classified as an inter-group sale. Acquisitions between subsidiaries of the same company group, arising from internal reorganization, have been ignored.

Timing

As far as possible, acquisitions are recorded at the date when the transaction is finalized (e.g. when a bid is declared unconditional or a contract to purchase is signed). This date may be considerably later than the date when a bid is first announced in the press. Also, the transfer of funds to shareholders in the acquired company may occur at a slightly later date than that at which the acquisition is regarded as finalized.

Steel consumption and stocks in the first quarter

Consumption of steel

CONSUMPTION OF STEEL in the first quarter of 1971 is estimated on a provisional basis (see note below) at 4,254,000 tons after seasonal adjustment (5,800,000 tons ingot equivalent). This level is virtually the same as in the fourth quarter 1970. There have thus still been only minor changes in steel consumption since the middle of 1968. See the table below.

Stocks held by merchants and consumers

Returns so far received for the first quarter of 1971 suggest that, after seasonal adjustment, stocks may have fallen by some 175,000 tons (240,000 tons ingot equivalent). This fall is large enough to be interpreted as signalling the end of a phase of stock-building by merchants and consumers that has continued almost without interruption since the fourth quarter of 1968. Between end-1968 and end-1970 1·12 million tons of steel was put to stock by United Kingdom merchants and consumers. Though there was a need to replenish stocks run down in 1966 and 1967, a growth in stock of over three weeks' consumption was unexpectedly high, coming as it did in the absence of an upward trend in steel consumption and during a time of strong pressure on manufacturers' cash resources.

Note:

Supplies of finished steel to the home market are usually calculated by taking total deliveries reported by the United Kingdom steel industry, plus imported supplies, and subtracting exports as recorded in the Overseas Trade Statistics. In the first quarter of 1971 the Overseas Trade Statistics give a figure of steel exports that appears to be too low, probably because of delays in documentation caused by the postal strike. It has, therefore, been replaced by an estimate consisting of exports reported by the steel industry plus an assessed tonnage of steel exported by others. The Trade Statistics export figure, for the present disregarded, will be taken into account when it can be combined with the similar figure for the second quarter, which will presumably make good any recording deficiency of the first.

Finished steel – estimated United Kingdom consumption

	Actual Consumption		Seasonally adjusted consumption thousand tons
	Thousand tons	Per cent change over previous year	
1965 1st quarter	4,386	+ 7·9	4,221
2nd quarter	4,367	+ 3·3	4,215
3rd quarter	3,771	+ 1·8	4,081
4th quarter	4,102	– 2·2	4,109
Total	16,626	+ 2·7	
1966 1st quarter	4,280	– 2·4	4,116
2nd quarter	4,277	– 2·1	4,130
3rd quarter	3,856	+ 2·3	4,163
4th quarter	3,793	– 7·5	3,797
Total	16,206	– 2·5	
1967 1st quarter	4,001	– 6·5	3,963
2nd quarter	4,086	– 4·5	3,839
3rd quarter	3,470	– 10·0	3,753
4th quarter	4,034	+ 6·4	4,036
Total	15,591	– 3·8	
1968 1st quarter	4,179	+ 4·4	4,014
2nd quarter	4,231	+ 3·5	4,081
3rd quarter	3,929	+ 13·2	4,240
4th quarter	4,231	+ 4·9	4,235
Total	16,570	+ 6·3	
1969 1st quarter	4,535	+ 8·5	4,364
2nd quarter	4,611	+ 9·0	4,454
3rd quarter	4,023	+ 2·4	4,349
4th quarter	4,333	+ 2·4	4,335
Total	17,502	+ 5·6	
1970 1st quarter	4,554	+ 0·4	4,443
2nd quarter	4,510	– 2·2	4,295
3rd quarter†	4,067	+ 1·1	4,393
4th quarter (p)	4,255	– 1·8	4,255
Total (p)	17,386	– 0·7	
1971 1st quarter (p)	4,421	– 2·9	4,254

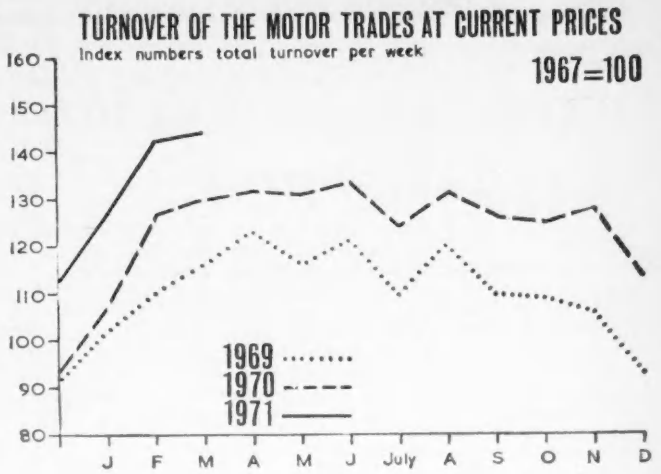
† 14-week statistical period; figures reduced to a 13-week basis for purposes of comparability.
(p) Provisional.

Turnover of the motor trades in March

THE TOTAL TURNOVER of the motor trades in March was 11 per cent more than a year earlier. The increase in the first quarter as a whole was 13 per cent, the same as the average for the year 1970, but less than the increase in the final quarter of that year. As these comparisons are of turnover at current prices, they include the effect of price increases.

Sales of new motor vehicles in the first three months of 1971 were 16 per cent more by value than in the corresponding quarter of 1970: this includes a large increase (33 per cent) in January and smaller increases in February and March when sales were probably restricted by supply difficulties. Sales of secondhand motor vehicles in the first quarter were 13 per cent more in value terms than a year before.

The value of sales during the first quarter of petrol, oil and accessories, together with receipts from servicing and repairs was 11 per cent more than a year before, little different from the increase in the fourth quarter of 1970; it is estimated that about one third of the increase in the first quarter was due to higher prices.



Index numbers of turnover per week and percentage increases on a year earlier†

1967 = 100

Kind of business (Turnover in 1967 £ million)		Year	1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	Jan.	Feb.	Mar.*	Apr.	May	June*	July	Aug.	Sept.*	Oct.	Nov.	Dec.*
Total turnover	1967	100	96	106	102	97	92	99	97	106	103	109	107	100	98	101	104	87
(£4,198 million)	1968	109	119	108	106	102	108	122	127	106	112	106	106	109	103	106	111	91
	1969	111	109	120	113	103	102	110	116	123	116	121	110*	120	110	109	106	93
	1970	126	122	132	127	121	107	127	130	132	131	133	124	131	126	125	128	113
	1971	138‡	138				127	142	144									
	1970	*13*	*11*	*10*	*12*	*19*	*5*	*15*	*12*	*7*	*13*	*11*	*12*	*9*	*15*	*15*	*20*	*21*
	1971	*13§*	*13*				*19*	*12*	*11*									
Analysis of turnover:	1967	100	99	110	96	95	95	103	100	111	107	110	104	94	92	98	107	83
Sales of new motor vehicles	1968	109	139	102	96	99	127	144	147	94	114	99	90	102	97	102	118	76
(£1,475 million)	1969	105	110	119	104	87	97	115	120	131	114	113	93*	119	100	95	90	75
	1970	123	125	133	120	113	100	132	139	136	128	134	112	130	119	117	122	103
	1971	145‡	145				133	150	151									
	1970	*17*	*12*	*12*	*16*	*32*	*3*	*15*	*16*	*4*	*12*	*19*	*21*	*9*	*19*	*23*	*36*	*38*
	1971	*16§*	*16*				*33*	*14*	*8*									
Sales of secondhand motor vehicles	1967	100	93	112	106	90	79	100	99	111	107	118	111	103	104	101	101	67
(£766 million)	1968	103	118	107	102	86	94	130	130	106	112	103	104	104	97	96	94	68
	1969	100	101	112	99	88	89	104	110	118	108	111	95*	108	95	95	96	71
	1970	112	112	121	114	102	92	119	121	125	123	115	110	124	109	113	114	83
	1971	127‡	127				106	136	136									
	1970	*12*	*10*	*7*	*15*	*18*	*4*	*15*	*11*	*6*	*14*	*3*	*11*	*14*	*16*	*19*	*20*	*16*
	1971	*13§*	*13*				*15*	*14*	*12*									
All other sales and receipts	1967	100	94	101	104	101	95	95	93	100	98	104	108	103	101	102	103	98
(£1,958 million)	1968	111	104	113	115	111	100	102	111	115	112	114	118	115	110	112	112	110
	1969	121	112	124	126	121	111	110	115	120	121	130	131*	126	123	125	122	116
	1970	133	123	136	137	135	118	126	126	131	136	140	139	134	137	136	137	132
	1971	137‡	137				132	137	142									
	1970	*10*	*10*	*10*	*8*	*12*	*7*	*15*	*9*	*9*	*13*	*7*	*6*	*6*	*12*	*9*	*12*	*14*
	1971	*11§*	*11*				*11*	*9*	*13*									

(†) The periods consist of four weeks except those marked * which are five weeks.
(‡) Index numbers for period January to March 1971.
(§) Percentage change for period January to March 1971 compared with the corresponding period for 1970.

DETAILED STATISTICS OF UNITED KINGDOM OVERSEAS TRADE

Each month the Overseas Trade Statistics give a considerable amount of detail about United Kingdom imports, exports and commodities and, for many of them, the most important countries of consignment.

The information in these statistics is, in fact, a summary of much more detailed information. This is derived from declarations made by traders to HM Customs and Excise under the descriptions in the Tariff and Overseas Trade Classification (which has about 6,000 commodity headings); there are 188 specified countries for consignment.

The fully detailed information is not published on a monthly basis but, when circumstances allow HM Customs and Excise can supply detailed information about trade under individual descriptions of the Tariff and Overseas Trade Classification and with individual countries or through United Kingdom ports, either for particular months or for longer periods. A charge is made which covers the cost of the service. Applications should be made to the Statistical Office (Bill of Entry Section), HM Customs and Excise, 27 Victoria Avenue, Southend-on-Sea, Essex, SS2 6AL (Tel. Southend (0702) 49421, Ext 316 or 323 for Imports, or Ext. 314 or 315 for Exports, Telex 99112 CUSEX Southend).

Turnover of the catering trades, laundries and dry cleaners and hairdressers in March 1971

Note: All figures in this commentary are at current prices

Catering trades

TOTAL TURNOVER in the catering trades in the first quarter of 1971 was 4 per cent more than in the fourth quarter of 1970, after allowing for seasonal movements. This continued the recent upward trend. Percentage changes in turnover (not seasonally adjusted) compared with a year earlier for the main kinds of business are shown below:

Value of Caterers' Turnover: percentage increases on a year earlier

	All caterers	Licensed hotels and holiday camps	Restaurants, cafes and fish and chip shops	Public Houses	Canteens
1970 4th qtr.	9	12	5	11	4
1971 1st qtr.	8	9	6	10	—

Note: Easter fell in the first quarter of 1970 but in the second quarter of 1971.

Laundries and dry cleaners

The turnover of laundries and dry cleaners increased by 10 per cent in March and 8 per cent in the first quarter of 1971 compared with a year earlier. Laundries' turnover in particular showed a larger increase in March than in recent periods, 12 per cent in March and 8 per cent in the first quarter. The turnover of dry cleaners increased by 7 per cent in the quarter, continuing recent experience.

Hairdressers

Hairdressers' turnover increased by 1 per cent in the first quarter of 1971 as a whole compared with the previous year. Both men's and women's hairdressers recorded small increases.

Table 1. Turnover of all Caterers seasonally adjusted. Index numbers of turnover per week†

1964 = 100

	Value at current prices £1,985 million
1964	100
1965	106
1966	111
1967	113
1968	117
1969	126
1970	136
1968 1st quarter	115
2nd quarter	116
3rd quarter	118
4th quarter	120
1969 1st quarter	123
2nd quatter	125
3rd quarter	127
4th quarter	129
1970 1st quarter	133
2nd quarter	136
3rd quarter	137
4th quarter	141
1971 1st quarter	145
1970 October	138
November	140
December*	140
1971 January	144
February	145
March*	146
1970 October-December	140
1971 January-March	145

† The monthly periods consist of four weeks except those marked * which are of five weeks The March 1971 period was the five weeks from February 28 to April 3, 1971. The March 1970 period was the five weeks from March 1 to April 4, 1970.

Table 2. Laundries and dry cleaners (excluding laundrettes)

Index numbers of turnover per week *and percentage increase on a year earlier*†

1966 = 100

Kind of business Turnover in 1966 (Provisional estimates)	Year		1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	Jan.	Feb.	Mar.*	Apr.	May	June*	July	Aug.	Sept.*	Oct.	Nov.	Dec.*
Total all Laundries and Dry Cleaners (£137 million)	1967	100	97	104	102	99	94	100	96	104	104	104	104	99	102	104	101	93
	1968	100	96	103	101	100	90	97	100	100	105	102	104	100	100	104	104	94
	1969	101	97	105	103	100	93	97	101	102	103	103	103*	101	104	106	104	92
	1970	105	98	100	107	106	96	100	98	110	110	110	110	106	106	110	109	100
	1971		105				102	107	107									
	1970	*4*	*1*	*5*	*4*	*6*	*3*	*4*	*–3*	*8*	*1*	*6*	*7*	*5*	*1*	*4*	*4*	*9*
	1971	*8*	*8*				*6*	*7*	*10*									
Laundires (£81 million)	1967	100	97	103	100	99	98	100	95	102	104	103	104	99	99	102	102	93
	1968	101	97	102	101	102	95	98	99	98	105	103	105	100	99	105	106	96
	1969	104	101	105	105	103	99	100	103	101	110	105	107*	103	105	108	108	96
	1970	108	101	113	110	109	103	103	97	112	111	114	113	109	107	112	113	103
	1971		109				108	109	109									
	1970	*4*	*—*	*7*	*4*	*5*	*4*	*2*	*– 5*	*11*	*1*	*9*	*6*	*6*	*2*	*4*	*5*	*7*
	1971	*8§*	*8*				*5*	*6*	*12*									
Dry cleaners, etc. (£56 million)	1967	101	96	105	104	99	88	101	99	106	105	104	103	100	108	107	99	91
	1968	99	94	103	100	98	82	96	102	104	105	101	101	99	101	103	102	90
	1969	97	92	103	99	95	84	91	98	103	108	100	96*	97	104	103	98	85
	1970	101	94	105	103	101	85	96	99	105	109	102	105	100	104	107	102	96
	1971		100				92	103	105									
	1970	*4*	*2*	*2*	*4*	*7*	*—*	*5*	*1*	*2*	*1*	*2*	*9*	*4*	*—*	*5*	*3*	*12*
	1971	*7§*	*7*				*8*	*7*	*6*									

For notes see Table 1. § – January-March

Table 3. Hairdressers

Index numbers of turnover per week *and percentage increase on a year earlier*† 1966 = 100

Kind of business Turnover in 1966 (Provisional estimates)	Year	1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	Jan.	Feb.	Mar.*	Apr.	May	June*	July	Aug.	Sept.*	Oct.	Nov.	Dec.*
Total all Hairdressers	1967	102	98	102	104	104	96	98	101	101	103	102	105	105	101	101	101	110
(£136 million)	1968	104	98	104	106	107	94	98	102	104	103	105	108	107	105	103	103	113
	1969	104	101	105	106	106	99	98	104	106	107	104	107*	108	103	105	104	107
	1970	105	101	105	106	106	99	101	102	103	106	105	109	107	104	104	105	110
	1971		102				101	102	103									
	1970	—	—	—	—	*1*	*– 1*	*4*	*– 2*	*– 2*	*1*	*2*	*1*	—	—	*– 1*	*1*	*2*
	1971	*1*§	*1*				*2*	*1*	*1*									
Men's hairdressers and men's hairdresser-tobaconnists	1967	103	97	99	106	108	99	98	96	96	98	103	109	105	104	102	102	116
	1968	105	97	103	109	110	100	98	95	100	98	109	109	108	109	103	104	121
(£27 million)	1969	108	100	105	112	112	101	98	99	102	103	109	112*	114	110	111	108	122
	1970	109	103	107	112	116	103	105	100	100	103	115	112	113	112	110	109	126
	1971		103				105	103	100									
	1970	*2*	*3*	*2*	—	*1*	*2*	*7*	—	*– 2*	—	*5*	—	*– 1*	*2*	*– 1*	*1*	*3*
	1971	*1*§	*1*				*2*	—	—									
Women's hairdressers and men's and women's hairdressers	1967	102	99	103	103	103	95	99	103	103	104	101	104	100	101	100	100	107
	1968	103	98	105	105	106	92	98	104	106	105	103	107	103	103	103	103	110
(£109 million)	1969	103	101	106	104	102	99	97	106	107	109	102	106*	106	101	102	102	102
	1970	130	100	104	104	103	97	99	103	105	107	102	108	105	101	101	103	104
	1971		102				99	101	104									
	1970		*– 1*	*– 1*	—	*1*	*– 2*	*2*	*– 3*	*– 2*	*– 2*	—	*2*	—	*– 1*	*– 1*	*1*	*2*
	1971	*2*§	*2*				*2*	*1*	*1*									

For notes see Table 1. § - January-March

Output of the wool textile industry

THE VOLUME of production in the wool textile industry in February 1971 was 5 per cent less than in February 1970.

Statistics issued by the Wool Industry Bureau of Statistics show that in the two months January-February deliveries of woven fabrics (excluding blankets) were 13 per cent less than in the corresponding period of 1970 and deliveries of worsted yarn (excluding semi-worsted yarn) were 6 per cent less. Production of wool and hair tops was 26 per cent less and of man-made fibre tops 28 per cent less.

Figures issued by the Wool Industry Bureau of Statistics relating to raw wool, tops and yarn are now given in million kilograms, the table has been converted to maintain continuity.

Output of the Wool Industry

	Consumption	Production			Deliveries			
	Raw Wool (Clean weight)	Tops		Woollen Yarn (†)	Worsted Yarn (§)	Woven Fabrics (excluding blankets) (‡)		Blankets (†)
		Wool and Hair	Man-made Fibres			Woollen	Worsted	
	Million kilos					Million sq. yds.		
1963	207·7	137·9	19·1	142·0	108·7	176·8	148·6	35·1
1964	189·7	120·3	25·8	147·8	105·8	177·1	148·3	32·9
1965	182·6	112·3	25·9	146·0	103·2	175·3	147·6	32·8
1966	176·1	104·2	28·5	142·7	100·2	168·4	133·9	30·5
1967	163·3	92·1	27·6	138·1	89·6	163·2	131·3	28·7
1968	177·5	96·6	36·4	147·4	98·2	162·4	132·3	32·7
1969	174·5	92·0	42·2	142·2	100·5	155·6	130·6	32·2
1970	153·1	79·7	44·6	129·4	97·6	138·1	119·3	29·4
1969 1st quarter	47·8	25·1	10·9	39·1	26·3	37·9	34·9	7·9
2nd quarter	45·6	23·9	10·3	37·6	25·9	40·8	32·2	10·2
3rd quarter	38·4	20·7	9·8	30·1	22·2	38·8	29·6	5·6
4th quarter	42·6	22·3	11·2	35·4	26·0	38·1	33·8	8·5
1970 1st quarter	41·8	22·5	11·2	33·7	24·5	33·3	31·0	7·5
2nd quarter	41·7	22·2	11·5	33·5	26·1	36·8	31·1	6·3
3rd quarter	32·8	17·5	10·5	27·9	21·9	33·8	26·5	6·9
4th quarter	36·8	17·6	11·3	34·3	25·0	34·3	30·8	8·6
1970 January	14·4	7·9	4·1	11·7	8·1	12·0	10·5	2·8
February	13·5	7·3	3·5	10·8	8·3	10·5	10·0	2·6
March	13·9	7·3	3·6	11·2	8·1	10·8	10·5	2·1
April	14·8	8·2	4·0	11·7	9·6	12·0	10·7	2·3
May	12·5	6·2	3·5	10·2	7·5	11·8	9·4	1·9
June	14·4	7·8	4·0	11·6	9·0	13·0	11·0	2·2
July	12·2	7·2	4·1	9·0	8·1	11·4	9·0	1·7
August	9·0	4·2	2·6	8·3	5·8	10·5	7·2	2·2
September	11·6	6·0	3·8	10·6	8·0	11·9	10·3	3·0
October	12·1	5·7	4·3	11·7	8·9	12·4	10·8	3·4
November	12·9	6·2	4·1	11·7	8·4	11·8	10·6	2·6
December	11·8	5·6	3·0	11·0	7·7	10·1	9·5	2·6
1971 January	12·0	5·6	2·8	11·2	7·4	10·2	9·2	3·2
February	11·7	5·6	2·7	11·2	7·6	9·5	8·5	2·9

(†) Estimated. (‡) Woven woollen fabrics include fabrics which are mainly woollen by weight of components and, similarly, woven worsted fabrics include fabrics which are mainly worsted by weight of components. (§) From January 1969 includes semi-worsted yarn; previously yarn of this type was not separately distinguished and the small quantities involved were divided between the woollen and worsted yarn headings. In February deliveries of semi-worsted yarn were 0.7 million kilos.

Improving response to statistical surveys

STATISTICAL SURVEYS produce mixed feelings within industry. These feelings are often reflected in the response to such inquiries. At a recent seminar on business statistics held by the Business Statistics Office, the Industrial Marketing Research Association and the Association of Market Survey Organizations, much time was devoted to discussing the methods of improving response from firms to statistical surveys. The seminar heard of the methods being used by the Government Statistical Service to enlist industry's co-operation to its inquiries and how it is trying to ease the burden of form filling. The businessman's point of view was also presented.

Would 'tailor-made' questionnaires, asking only questions about sales of products which firms are known to make, improve and speed up their response? Or could the answer lie in more personal visits to management to discuss the conduct of an inquiry and the individual firm's own statistical requirements? These were just two of the ideas put forward at a seminar which discussed the many problems encountered both by firms and by the Government when carrying out statistical inquiries. Although these particular ideas may not provide the answer, many other more practical methods to combat these problems are being adopted.

Much of the Government's statistical contact with firms is through the Business Statistics Office (BSO) which is taking over responsibility from Departments for collecting a wide range of statistics on industry and commerce. The BSO is currently making a great attempt to improve the form filling climate. The seminar heard that it was tackling these problems on two fronts – the conduct of inquiries and the attitude of business.

First of all, before inquiries are launched, BSO has detailed discussions with its statutory advisory committees, trade associations and representative firms. These discussions cover the questions that are to be included, definitions in the questionnaire, and the layout. Often questions are included at the specific request of the industry (for instance questions on floor space in the case of the 1971 Census of Distribution). The BSO also takes advice on whether information can be readily supplied from firms' existing records.

Form filling is made much easier if a firm is forewarned of an inquiry and knows what to expect. The BSO gives firms as much advance notice as possible of questions they will be asked. There are numerous advantages in having regular inquiries with an unchanged content, which the BSO aims to achieve wherever possible. The new system of industrial statistics being introduced by the BSO will make the most of these advantages. For example, the 1970, 1971 and 1972 Censuses of Production will all ask the same questions.

In order that future inquiries may benefit from the lessons of the past, follow ups will be made to selected contributors after they have made returns to the 1970 Census of Production. Attitudes will be assessed regarding the design of an inquiry, the value of the questions, clarity of the notes, the ease or otherwise with which answers could be supplied from readily available records, the accountancy practices used in record keeping, time taken to complete the questionnaire and the utility or potential utility of the results. A similar follow-up is planned for the 1971 Census of Distribution.

Obviously industry is more inclined to co-operate if its task of completing questionnaires is made as easy as possible. But much also depends on explaining to contributing firms the usefulness of the results, both to the country and to themselves. The Government Statistical Service is encouraging an interest in official statistics and an increased appreciation of what they can do. Various media are being employed to reach the ears of managers, accountants, company secretaries and statisticians. Talks and seminars (such as the one with IMRA and AMSO) are held with professional bodies and trade associations. The Central Statistical Office (CSO) will shortly be publishing 'Profit from facts' which contains case studies showing how official statistics can throw light on business problems. An explanatory booklet has been issued for the 1971 Census of Distribution, illustrating how retailers can use the results.

Equally important is the ready availability of results. When the results of an inquiry are published extensive publicity is given. The BSO is now considering how individual contributors may be notified of the 1971 Census of Distribution results as they become available. To facilitate research, an index to official statistics is being planned. In addition the CSO has an information office which can help the public to find the statistical information it requires. For those whose needs are not met by published information, special analyses can often be made by the BSO at nominal cost.

The seminar also heard the business viewpoint and its problems. If a firm can see that a statistical survey is to its advantage, the battle for good response is almost won. Negative response to an inquiry is probably caused by two factors. Either the firm does not recognize the advantage of completing a particular questionnaire or there is a divergence of interest within the firm between those who use and those who have to supply the statistics. Smaller firms tend to come under the first category and largest ones under the second.

Businessmen present at the seminar suggested that the problems encountered with larger firms could be eased by placing responsibility for form filling and statistics with a senior manager in a

Registrations of British and foreign films

The following are details of films registered by the Department of Trade and Industry under the Films Acts 1960 to 1970 during the week ended Friday, May 14, 1971. Br/E indicates that the film is a British quota film.

Title of Film	Registered No.	Playing Time Minutes	Date of Registration	Registered in the name of	Maker's name
				BRITISH	
Connecting Rooms	Br/E 35476/15/5/76	103	May 10	London Screen Distributors Ltd.	Telstar Productions Ltd.
London, My Lord	Br/E 35479/15/5/76	23	May 13	Data Film Distributors Ltd.	National Coal Board.
The Battle	Br/E 35480/15/5/76	5	May 13	Connoisseur Films Ltd.	Derek Phillips.
Scrooge	Br/E 35481/15/5/76	118	May 13	Twentieth Century-Fox Film Co. Ltd.	Waterbury Films Ltd.
Movietone News 2188	Br/E 35262/15/5/76	8	May 14	" "	British Movietonews Ltd.
Movietone News 2188A	Br/E 35263/15/5/76	8	May 14	" "	" "
				FOREIGN	
Pussycat, Pussycat I Love You	F 35471	100	May 10	United Artists Corporation Ltd.	Three Picture Corporation.
The Ant from Uncle	F 35472	6	May 10	" "	Mirisch, D. F.
Cotton Comes to Harlem	F 35473	97	May 10	" "	Formosa Productions Inc.
Strike	F 35474	90	May 10	Contemporary Films Ltd.	Sovexportfilm, Moscow.
The Statue	F 35475	89	May 10	Cinerama Releasing (UK) Ltd.	Josef Shaftel Productions Ltd.
Tora! Tora! Tora!	F 35477	144	May 11	Twentieth Century-Fox Film Co. Ltd.	Twentieth Century-Fox Film Corporation.
The Wanderer (Le Grand Meaulnes)	F 35478	104	May 11	Fair Enterprises Ltd.	Madeleine Films and Awa Film, Paris.
Tumult	F 35482	88	May 13	Eagle Films Ltd.	Athena Films S.A., Copenhagen.

AMENDMENT TO THE REGISTER:
The title of the film 'Love In A Four Letter World' (F 35432) registered on April 13, 1971, has been amended to 'Sex Isn't Sin'.

central position. He should ideally be in a position with a marketing or planning bias so that he identifies with the need for better response. The problems arising from greater complexity of management organization, the specialization and isolation of individuals, company re-organization and product modification could be reduced if the manager in question had a global view of the company's structure and product range.

Rightly or wrongly, the smaller company tends to think that the market information obtainable from industry statistics has not and cannot have any bearing on its own fortunes. Time and an education programme are perhaps the best solutions. The importance of reliable, up-to-date information is not always appreciated by many small firms. Here, trade associations have much to do in teaching their members the value of the statistics collected. With smaller firms it is, of course, vital that questionnaires should be as easy to complete as possible. The routine nature of many inquiries under the new system of industrial statistics may help firms by creating conditions under which they can arrange the supply of information on a regular basis.

What emerged above all from the seminar was the desire of the Government's Statistical Service to win industry's goodwill and co-operation. A whole-hearted campaign is being carried out to achieve this – the principal theme being that statistics are collected in the interests of industry as well as good Government. The discussions on response ended on a hopeful note. The sole doubt resting on the question 'to what extent would the efforts of the BSO and the Government Statistical Service as a whole only preach to the converted?' How many deaf ears will be unstopped?

Production in the cotton industry

THE VOLUME of production in the cotton industry (including the processing of man-made continuous filament yarn and finishing) in February 1971 was 3 per cent more than in February 1970.

Statistics issued by the Textile Council show that in February the amount of cloth woven was 6 per cent less than in the corresponding month last year. Production of single yarn was 1 per cent more and the amount of yarn doubled was 10 per cent less.

Production in the cotton industry

Annual totals and weekly averages

	Single yarn (†)		Doubled yarn		Processed filament yarn	Woven cloth	
	Cotton yarn (‡)	Spun man-made yarns and mixture yarn, inc. waste	Cotton yarn	Other	Textured yarn (§)	Cotton	Man-made fibre and mixtures
	Million lb					Million lin. yards	
1963	488·7	127·0	131·4	107·0		1,014·1	560·3
1964	508·1	145·9	136·1	120·0	40·7	1,033·1	610·1
1965	484·8	142·5	131·5	120·3	47·5	1,015·0	624·4
1966	455·7	136·2	123·1	110·2	62·2	915·3	616·6
1967	383·8	124·8	108·1	105·2	78·4	745·0	529·8
1968	377·4	148·7	110·0	114·6	113·6	730·7	554·8
1969	366·4	161·3	103·2	134·3	150·5	723·4	588·5
1970	349·8	170·7	95·2	126·3	181·7	686·4	529·6
1970 February	7·3	3·5	2·1	2·7	3·5	14·9	11·6
March*	6·7	3·2	1·9	2·5	3·3	13·8	10·3
April	7·5	3·6	2·1	2·7	3·6	15·0	11·1
May	7·2	3·4	2·0	2·7	3·3	14·0	10·7
June*	5·6	2·9	1·6	2·0	3·1	13·9	10·0
July	6·0	2·8	1·6	2·2	2·9	7·9	7·2
August	7·1	3·5	1·8	2·6	3·2	13·5	10·0
September*	6·2	2·9	1·6	2·3	3·5	11·8	9·2
October	7·5	3·6	2·0	2·7	4·2	14·3	11·1
November	7·5	3·8	2·0	2·6	4·6	14·1	11·1
December	5·7	3·1	1·5	1·9	3·7	11·5	8·8
1971 January	7·1	3·9	1·9	2·4	4·4	13·5	11·1
February	6·7	4·0	1·9	2·4	4·5	13·3	11·1

(†) Spun in the cotton industry. (‡) Including yarns wholly of cotton waste and mixture yarn of cotton and cotton waste. (§) Deliveries.

Sales by wholesale textile houses

SALES BY WHOLESALE textile houses in March showed an increase of 13 per cent on a year earlier, compared with increases of 9 per cent in January and 8 per cent in February.

The value of stocks at the end of March was 8 per cent lower than a year earlier.

Table 1. Total sales and stocks

Index numbers and *percentage increase compared with a year earlier* 1950 = 100

	Value of home sales		Value of stock end period	
1966	110	*– 3*	..	..
1967	104	*– 5*	..	..
1968	108	*4*	..	..
1969	103	*– 5*	..	..
1970	107	*4*	..	..
1969 2nd quarter	98	*5*	138	*7*
3rd quarter	100	*– 4*	157	*8*
4th quarter	124	*– 6*	147	*17*
1970 1st quarter	90	*2*	161	*5*
2nd quarter	97	*– 2*	140	*1*
3rd quarter	105	*5*	146	*– 7*
4th quarter	135	*8*	143	*– 3*
1971 1st quarter	100	*10*	147	*– 8*
1970 March	119	*6*	161	*5*
April	103	*– 5*	146	*2*
May	92	*– 5*	151	*2*
June	95	*6*	140	*1*
July	83	*10*	145	*– 3*
August	99	*6*	143	*– 6*
September	134	*2*	146	*– 7*
October	153	*9*	129	*– 7*
November	124	*5*	140	*– 9*
December	127	*11*	143	*– 3*
1971 January	66	*9*	128	*– 8*
February	99	*8*	139	*–10*
March	134	*13*	147	*– 8*

Table 2. Analysis by department

Percentage increase compared with a year earlier

	Sales		Stocks (‡)
	March 1971	January–March 1971	March 1971
Women's knitted outerwear, blouses and skirts	*11*	*13*	*– 2*
Women's coats, costumes, furs and raincoats	*36*	*19*	*–20*
Women's underwear	*30*	*17*	*–20*
Women's hose and children's socks	*– 6*	*–11*	*– 8*
Women's millinery	*12*	*13*	*–21*
Haberdashery, ribbons and wool	*21*	*14*	*– 5*
Children's wear	*18*	*14*	*–24*
Men's and boys' shirts, pyjamas and outfitting	*– 8*	*4*	*–10*
Gloves	*–17*	*–22*	*– 6*
Piece-goods and nets	*10*	*– 6*	*–30*
Household textiles	*17*	*7*	*–15*
Floor coverings, furniture and hardware	*18*	*17*	—
Boots and shoes	*8*	*14*	*9*
Total†	*13*	*10*	*– 8*

† Including some items not included among the sub-headings. ‡ Values at cost

Notes:

These statistics are prepared by Textile Distributors' Association. Inquiries should be addressed to the Secretary, The Textile Distributors' Association, 75 Cannon Street, London, E.C.4 (Tel. 01-248 4444).

Cinema admissions and takings in December

DURING DECEMBER, counted as a five week period, the weekly average of admissions to cinemas in Great Britain was 2.87 million and the weekly average of gross box office takings was £0.93 million.

Exhibitions and Fairs

Looking back at the Hanover Fair

FROM L. W. V. RAYBOULD, HM CONSUL (COMMERCIAL), BRITISH CONSULATE-GENERAL, HANOVER

THE 25th HANOVER FAIR closed its doors on April 30 after nine days of hard bargaining. There was no sign of the mini recession which had been expected in some quarters, but nevertheless most exhibitors found it a harder struggle to secure firm business than had been the case in previous years.

The statistics confirm that this annual event merits the title of the most important trade fair in the world. It attracted 5,768 exhibitors from 33 countries, buying missions from more than 100 countries, and some 540,000 visitors.

Twenty-four halls with 500,000 sq. m. of exhibition space were used in addition to 260,000 sq. m. of open air display to show the following main groups of products:

a. Iron and steel
b. Non-ferrous metals and products as well as precision metals and products
c. Machinery
d. Tools
e. Electrical engineering
f. Iron, sheet iron and metal goods (technical sector)
g. Precisions mechanics and optics including: ophthalmic optics, optical instruments; photography, cinematography; projection; precision mechanical apparatus; measuring control and regulation equipment
h. Structural steel engineering; shipbuilding; industrial planning
i. Aeronautic equipment and accessories
j. Nuclear engineering
k. Steel shaping
l. Vehicle construction
m. Office furniture and organization aids; general office supplies, writing materials and paper goods; drawing and painting requisites
n. Chemistry and plastics, processing of plastics
o. Rubber, asbestos
p. General technical requisites
q. Building materials; constructional elements and accessories; auxiliary construction equipment; prefabricated construction
r. Porcelain; ceramics; glass
s. Watches and clocks
t. Jewellery and silverware
u. Flatware and cutlery
v. Metal goods; gift articles; applied art products
w. Locks and fittings; hardware
x. Banks and financial institutions; transport, communications; publishing houses; advertising media

The opening ceremony was performed by the German Economics Minister, Professor Karl Schiller, who made an important statement on the Federal Government's economic policy and the problems of exchange rates and currency arrangements.

He pointed out that European countries could not remain inert in the face of international inflationary movements if they were to maintain their domestic stability. There would have to be a closer community of national economic policies within the EEC and a common striving towards stability.

Further, a more elastic arrangement of the world currency system was essential to permit each country more flexibility to pursue its own economic aims without endangering the policies of others. The increasing tendency of Germans to say 'we must learn to live with inflation' had to be strongly resisted.

Britain provided the second largest contingent of foreign firms with 161 direct exhibitors and 121 represented firms, a total of 282. France was marginally in the lead with 293 firms. The third place was taken by Italy, 218 firms.

Twelve joint ventures were organized by the Department of Trade and Industry under the sponsorship of the appropriate trade associations.

They were:

Business Equipment Trade Association;
British Stationery and Office Equipment Association;
British Jewellery and Giftware Federation;
British Art Metal Manufacturers Export Group;
British Pottery Manufacturers' Federation;
The Engineering and Building Centre, Birmingham;
Machine Tools Trade Association (Woodworking);
Lighting Industries Federation;
British Electrical and Allied Manufacturers' Association;
Electronic Components Centre;
Association of Hydraulic Equipment Manufacturers;
British Compressed Air Society.

There were no dramatic success stories to report this year, but nevertheless exhibitors reported that the quality of the inquiries was higher than in previous years. Many expected that more definite orders would follow once buyers had a clearer picture of their own market prospects.

Generally speaking, the technical exhibits fared better than consumer goods. In most cases there was hard bargaining on prices, particularly where labour and raw material costs had risen rapidly in recent months.

The individual trade associations reported as follows:

Business Equipment Trade Association

Ninety per cent of the exhibitors were delighted with the orders taken from customers throughout the world.

British Stationery and Office Equipment Association

Somewhat fewer buyers were received on the stands compared with the previous year, but more orders were booked. Exhibitors found that the fact that the fair no longer took in two weekends had caused less time to be wasted with casual inquiries from the public.

British Jewellery and Giftware Federation

The Federation was not directly represented, but some individual firms found business to be somewhat slow. Consumer goods are unfortunately over-shadowed by heavy industry at Hanover. Firms, however, felt that their attendance had been worthwhile.

British Art Metal Manufacturers Export Group

This Group coped very well on a tiny stand of only 8 sq. m. It expressed satisfaction with business done.

British Pottery Manufacturers' Federation

This Federation was not directly represented but a number of British firms were showing. Some of these firms had been at Hanover for several years and, compared with earlier years, they found business to be rather slow.

The Engineering and Building Centre, Birmingham

This group of exhibitors reported excellent results from their participation. A firm with abrasive products sold all the machines off the stand, worth some £30,000; a pneumatic firm had about 25 good inquiries per day, took orders worth £1,000 and expected further orders worth £6,500. Another firm contacted potential agents in Sweden, Portugal, Northern Italy, Belgium and India. A machine tool firm sold equipment worth £5,000 to Spain, Caracas and Germany. A grinding wheel manufacturer booked orders worth £50,000 and had every reason to expect a large order from Bosch for discs to be incorporated in do-it-yourself kits.

Machine Tools Trade Association

The woodworking firms were rather cautious in their assessment of results. Germany is a very difficult market for them and all exhibitors stressed the importance of showing at Hanover because of third country interest. One firm, however, sold 11 machines off the stand, valued at £10,000, only one of which was sold to Germany. Firms who were not represented in Germany were able to interview a wide selection

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of potential agents. The general view was tha the fair had been more successful than the previous event, held two years ago.

Lighting Industries Federation

This Group was well satisfied with its participation. Several exhibitors came to meet their foreign agents and investigate the competition. One firm opened accounts in nine new countries and booked orders amounting to 8 per cent of their total turnover in 19 countries. Competition for these products is very keen in Germany.

British Electrical and Allied Manufacturers' Association

This powerful and experienced Association was satisfied with business done and the quality of inquiries received. One firm booked so many orders in the first three days that subsequent orders were almost an embarrassment!

Electronics Components Centre

Fewer visitors were noticed in Hall 12. Comments varied from 'very pleased' to 'not really satisfied'. Possibly the extensive information which is published on the electronics industry caused some chief buyers to decide not to visit the fair this year.

Association of Hydraulic Equipment Manufacturers

No complaints whatsoever were heard from the British exhibitors in Hall 17A. Three firms who came to find agents were fairly sure that they had located suitable business partners. The volume of business done was good.

British Compressed Air Society

In spite of generally quieter economic conditions, this Group was well satisfied with the results achieved. A large number of good inquiries were received.

● Sir John Eden spent two days in Hanover. Immediately after his arrival by air he was entertained to a working lunch given by the Prime Minister for Lower Saxony, Herr Alfred Kubel. During the afternoon he visited some of the British exhibitors before meeting, during the evening, some of the senior personalities of the Federal Association of Germany Industry and the Commission of European Communities.

The Federal Association of German Industry organized a 'Europe Day' on April 29. The main speakers were: Herr Fritz Berg, President, Herr Alfred Kubel, Prime Minister of Lower Saxony, Sr. Franco Maria Malfatti, President of the Commission of European Communities, Sir John Eden, Minister for Industry, Herr Pierre Werner, Prime Minister of Luxembourg, Professor Karl Schiller, Federal Republic of Germany, Economics Minister.

Sir John Eden spoke of the contribution which the United Kingdom could make to the EEC, but emphasized that the British entry must be on fair and reasonable terms. His speech was well received.

The staff of the British Consulate-General in Hanover, assisted by their colleagues from other Commercial Posts in Germany, manned a much enlarged and improved Information Stand. Literally hundredweights of trade literature and holiday brochures were dispensed, but the main assistance provided was a telephone and telex service for British exhibitors and visitors. All commercial inquiries on Germany and the United Kingdom were answered immediately and others were telexed to appropriate Commercial Posts throughout the world.

The next Hanover Fair will be held from April 20-28, 1972.

British ceramic industry ready for economic revival in United States

FROM THE BRITISH CONSULATE-GENERAL, CHICAGO

SIX BRITISH companies and the British Ceramic Plant and Machinery Association participated in the 73rd Annual Meeting and Exposition of the American Ceramic Society in Chicago from April 24-28. They were members of the second group to be jointly sponsored for such an event by the Department of Trade and Industry and the trade association.

In spite of a quiet year for the ceramic industry in the United States, the exposition was attended by approximately 3,500, down 700 from last year. Many of these were top executives of American industry who regularly use the show as a means of keeping track of the latest developments in their industry.

There were 68 exhibitors including the British contingent. The more than 450 technical papers presented in 65 sessions constituted an all time record for the Ceramic Society Meeting.

The British display, which included an information stand manned by the British trade association, occupied an area of 1,050 square feet, one of the largest single blocks in the show. Although not expecting to take orders on the spot, the general feeling of British exhibitors was one of satisfaction at the results of their participation. All felt that the visit to Chicago was a success in the light of the number of serious inquiries received.

One British exhibitor announced the appointment of American representatives during the course of the show and noted that after three years of exhibiting at this and previous events, his company now felt ready to meet the challenge of the United States market and reap the benefits.

An American visitor (left) receives advice on burners from Mr. John Scrimgeour (centre) and Mr. Felix Rankin (right) chairman and managing director of Auto Combustion during the Ceramic Exposition in Chicago.

First showing

British products on display included several items which were being shown for the first time in the United States. These included kiln furniture in a cordierite body which, because of its low reversible thermal expansion, is able to withstand very rapid changes of temperature and is suitable for most applications in temperature up to 1,250°C; a recently developed wafer car for packaged kilns; atmospheric injector gas burners for intermittent kilns, and an atmospheric injector gas impulse burner for top fired kilns.

Drying systems on display included rotating air distributors for drying clay ware and a scaled down working model of a reciprocating air jet drying system.

The disappointment of a lost shipment of display equipment did not dampen the spirit of one exhibitor. Employing the talent of a graphic artist, the representative put his firm's message across with remarkable effect and attracted to the booth a steady flow of visitors inquiring about the company's de-airing pugmill and a high speed blunger for preparing clay slurries.

At a dinner sponsored by the American Ceramic Society, Mr. Felix Rankin, chairman of the British Manufacturers' Association, delighted the audience of at least 600 guests with an impromptu speech which touched lightly on the art of short speeches and on oriental diplomacy and admirably set the stage for other overseas guest speakers from France, South America, Mexico and Canada.

The ceramic industry being closely related to the construction industry has in the last year been in the doldrums in the United States. Indicators for the first quarter of 1971 show that the ceramic industry along with other prime industries may be starting on an upward curve, and the general opinion of American companies taking part in this exposition was that the coming year would show a substantial increase in sales.

The British participants felt that they had achieved their objectives at this show and with an upward swing in the United States economy would expect their sales curve to rise similarly.

Equipment from British companies at the Zaragoza Agricultural Machinery Fair included tractors and shearing machinery.

Active interest at Zaragoza Agricultural Machinery Fair

FROM THE BRITISH CONSULATE-GENERAL, BARCELONA

'SPAIN IS not only under-mechanized, but badly mechanized.' Such were the words of Manuel Campos Lafuente, Director General of the fifth annual International Agricultural Machinery Fair (FIMA) which was held this year from April 11-18 in Zaragoza and which, despite the fact it has only been an international event on four previous occasions, generated a good deal of foreign interest.

FIMA is undoubtedly the most important exhibition of its type in Spain and is fast becoming one of the leading events in this field in the whole of Europe. The scope of the exhibition will be further increased in 1971 when a World Fair will be held.

The area of the fair this year was increased to some 400,000 square feet and all types of agricultural machinery and equipment were exhibited, both in indoor pavilions and in the open air. Attendance was good and it was expected that the total number of visitors would not fall far short of a quarter of a million.

Business also was reported to be satisfactory; last year the total volume of transactions reached 460,000,000 pesetas (approximately £2,760,000).

There were approximately 500 exhibitors in all, 300 Spanish and 200 foreign, and they occupied 1,545 stands. Equipment was on display from 22 countries, an increase of three over last year, and while the leaders were the Italians, Germans, French and Americans, exhibits were included from such places as Bulgaria, Israel, Poland and Romania. The value of the equipment on display was over 600 million pesetas (£3,600,000).

Local agents

Equipment from about 20 British companies was displayed, mostly exhibited through local agents, including tractors and harvesting equipment, agricultural trailers, shearing machinery, pellet making machinery and milking equipment, but the field of heavy machinery was largely dominated by other countries.

For the third time an International Conference on Agricultural Mechanization was held, this year on the subject of 'Mechanization of the Preparation, Industrialization and Distribution of Meat' with speakers from Spain, France, Germany and England. Simultaneous translation was available into English, French and Spanish.

In conclusion it can be said that the Zaragoza Fair was a well attended and well organized event which is rapidly becoming one of the most important of its type in Europe. Next year FIMA 72 will be held from April 8-16, and the subject for the fourth conference on agricultural machinery will be 'Agricultural Transport.'

Future business looks good following Philatokyo '71

FROM THE BRITISH EMBASSY, TOKYO

THE CENTENNIAL of the postal service in Japan was marked by the opening by HRH Prince Makasa on April 19 of the 10 day international Philatelic Exhibition at the Communications Museum in Tokyo.

Over 50,000 people came to view the exhibition. Japanese collectors mounted impressive displays for the competition class, and in the court of honour there were some remarkable rarities, including frames from The Queen's collection as well as a display by the Post Office of original posters concerning the earliest postal traffic between Britain and Japan.

In addition to these frames of other people's treasures there were the immediately accessible stamps for sale on the stands at the entrance. Here the United Kingdom made a definite impact, for 18 of the 39 stands were manned by 14 British dealers.

Schoolboys, inevitably, came to look, but dealers and collectors came to buy to an extent which surprised the British contingent. There were many sales of over Y1 million (£1,163) and an auction organized by the London Stamp Exchange brought in £10,000.

Big interest

With the exception of some notable collections, interest in Japan has only recently been largely focused on Japanese stamps, with stamps from South East Asia as next in importance. The British dealers catered for this with stamps of such interest in the field that the first day found their displays thronged with dealers from the neighbouring Japanese stands.

Some 60 per cent of all Japanese stamps of philatelic interest remain in Japan but nearly all the remaining 40 per cent are held in the United Kingdom.

At Philatokyo '71 British dealers showed Japanese collectors the variety and depth of the British stamp market and the British themselves were able to assess the potentialities of the market in Japan. There was general agreement that both sides liked what they saw.

Two British firms are considering opening offices in Tokyo and others have begun agency negotiations.

An initial estimate of total sales during the exhibition gives a figure of £60,000 to £70,000. But of even more importance to British dealers is the business which seems likely to flow from the many friendly talks made during Philatokyo '71.

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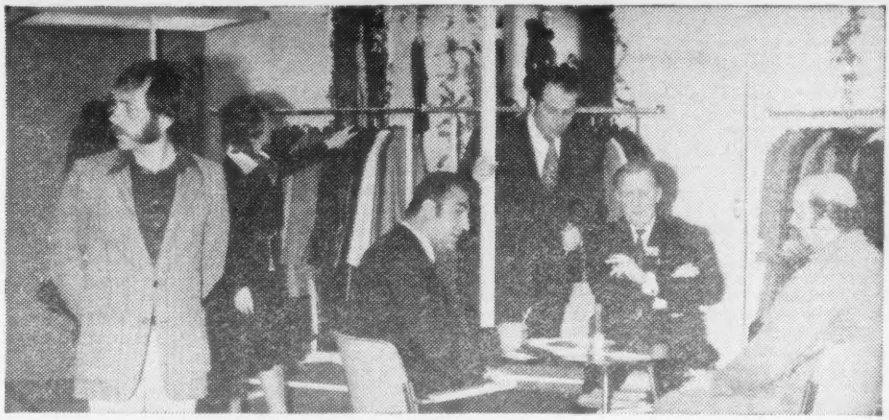
Fashion exporters find going hard at Dusseldorf

FROM THE BRITISH CONSULATE-GENERAL, DUSSELDORF



Mr. W. Angel (standing), director of Alec Berman Ltd., in conversation with customers from Kuwait at the IGEDO Fair, Dusseldorf.

As THE last of the season's international fashion fairs in Germany, Dusseldorf once again opened its gates to invite buyers from every continent to visit the 89th IGEDO from April 25-29. Last year's April IGEDO was overshadowed by uncertainties over trends of fashion and buyers placed orders with extreme caution. This year's event opened in a general mood of optimism with both the trade and industry being at one over the fashion scene which is to prevail over the coming autumn and winter seasons.

Once again it was a full house with all halls of the Dusseldorf show grounds, covering a total of 70,000 square metres, taken up by 1,048 exhibitors. A further 350 exhibitors showed their collections in city hotels, private showrooms and on manufacturers' premises.

Altogether 239 foreign exhibitors were showing. Most strongly represented were firms from France (75), Italy (34), Britain (28), Israel (13) and Hong Kong (10).

Among the non-European countries represented were India, the United States, Iran and Israel. As in the previous years France and Hong Kong mounted their own official group representation stands. For the first time the Iran knitwear industry participated at this fair, exhibiting as a group.

Again this event was successful in attracting a new all-time record number of visiting buyers – some 27,400, representing an increase of about 5 per cent on the figure for the April IGEDO in 1970. Altogether some 3,680 collections were on show.

Twenty-five British firms exhibited under the auspices of the Clothing Export Council through the Department of Trade and Industry's joint venture scheme. The number of British exhibitors on this joint venture was significantly lower than at the preceding April IGEDO when some 42 firms were showing.

It is difficult to discern whether the number of German and continental buyers visiting British stands was so very low due to most of the potential buyers of British fashion having possibly missed out the IGEDO to attend the London Fashion Fair, which, running from April 21-28, coincided with the IGEDO, or whether the general impact of the British exhibit had generally failed to arouse interest.

Certainly, many of the British exhibitors were most disappointed by the low volume of orders obtained and, in particular, most of the 11 British firms exhibiting at this event for the first time, many of whom were newcomers to the market.

Among them, however, Cado Designs Ltd., and E. Brown (Leather) Ltd., were successful in making valuable contacts and both firms were encouraged to make a real bid to break into the German market. J. Nathan (Simulation) Furs also were very satisfied with the orders obtained at this, their first, IGEDO showing.

It was the regular exhibitors, however, with experienced and a reputation in the market who attracted the buyers – F. J. Bacon Ltd., Gor-Ray, Suede and Leathercraft, Shubette, Muir Ltd. and Skinflair of London to mention a few.

Though price continued to play an important role, the retail trade generally placed its orders where early delivery could be guaranteed. Having held back at the Berlin and Munich showings the level of buying proved good-to-very-good at this event.

Neo-classical styles

Most of the larger buyers, however, particularly those from the department stores, had already placed most of their orders before the Dusseldorf IGEDO. Demand was clearly stronger for garments of neo-classical styles with woven fabrics making a strong return for the autumn and winter season, especially tweeds.

Most popular lengths were from about the knee down to midi. Skirts, trousers and sport blouses sold particularly well, demand being very strong also for garments of suede and leather, i.e. combinations such as skirts with matching vests. The general trend was for a return to bright colours with the emphasis in young fashion placed in leisure wear.

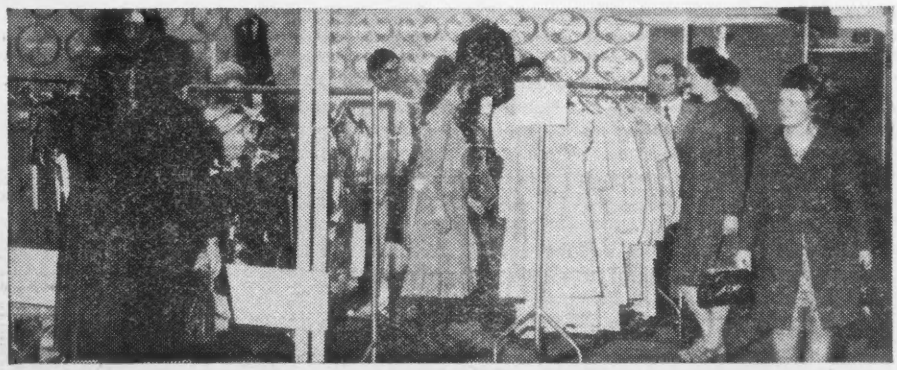
Once again the Boutique International proved to be a major attraction, with 114 exhibitors, among them 64 foreign firms. The 50 firms exhibiting avangardist young fashion garments under the name Group F3 were also very successful in attracting good business. The continued rise in the number of firms exhibiting fashion accessories was particularly noticeable.

At this event some 200 manufacturers showed their collections, underlining once again the potential of this sector of the market.

The very high number of manufacturers exhibiting last season increased, in fact, to 173 exhibitors this time and those firms with highly colourful collections of pop and patchwork styles did very well.

There has been talk in the German press of the German fashion industry being tired of the numerous large fashion fairs now being held each year. There are clear indications, however, that these fairs continue to prove an attraction and they are attended by ever increasing numbers of manufacturers and buyers. Much of this is accounted for by the increase in the number of foreign participants. The fairs are still internationally important and their value as a showcase in Europe should not be overlooked.

It is true that the market is far more competitive than before, but it is continually expanding with consumer spending on ladies' fashion reaching a new high.



Mr. D. L. Baggs (rear centre), chairman of Skinflair, London, showing his suede and leather collection of young fashion to customers at IGEDO.

PUBLICITY FOR TRADE FAIRS OVERSEAS

Organizers of Trade Fairs and Exhibitions in the United Kingdom are reminded that they are welcome to send posters and brochures about their Trade Fairs to Official Commercial Representatives Overseas, who are always anxious to publicize such events.

But Commercial Representatives must receive material on events **well in advance** *– three clear months is a minimum notice - and they should be sent a reasonable number of brochures and posters for distribution. Two or three dozen copies for the Commercial Representatives in each area it is desired to cover should be considered an absolute minimum. A full list of British Commercial Representatives Overseas, together with their addresses, is published every three months in* Trade and Industry

OVERSEAS CABLES

The attention of British firms is drawn to the necessity of including their name and full postal address when cabling an overseas firm for the first time. There is no comprehensive directory of cable addresses, and commercial departments in the British Embassies are often unable to help local firms who ask them to trace British firms from their cable address.

Firms at Philadelphia show well pleased with results

From the British Consulate-General, Philadelphia

THE SOCIETY of Manufacturing Engineers held their annual International Engineering Conference and Tool Exposition at Philadelphia from April 26-30. Total attendance was 30,157, a drop of 31 per cent compared with that at last year's show in Detroit.

Three hundred and eighty exhibitors occupied net exhibit space of 157,000 sq. ft. with equipment valued at approximately $14 million.

These firms were facing a highly competitive situation at a time when the American machine tool industry was experiencing a slump in orders with manufacturers offering short term deliveries and dealers anxious to clear slow-moving inventory.

The industry had closed the first quarter of 1971 with its worst three-month order record in more than a decade. Total orders for the quarter in metal cutting and metal forming type machines had totalled $176,350,000, some 42 per cent lower than the $305,400,000 in orders registered during the first quarter of 1970.

Nevertheless, orders for machine tools had risen slightly in March over February and one important executive in a major American machine tool manufacturing company had been quoted as anticipating a long, tough, up-hill climb with small increases in sales from quarter to quarter.

The recent introduction of liberalized depreciation tax schedules which would give manufacturers an opportunity for a more rapid write-off on purchases of capital equipment still needed some clarification and this could have inhibited buyer-decisions to some extent.

Eighteen British firms participated in a joint venture sponsored by the Machine Tool Trades Association and the Department of Trade and Industry, in an area of 8,585 sq. ft. exactly half of the size of last year's joint venture at Detroit.

Impressive display

Despite the factors working against them and the much reduced space commitment, the display of equipment offered by the British group was impressive. For five working days, the British area was the scene of a continuous stream of visits, demonstrations and inquiries, some of which could turn into useful business. In total space occupation, the British area was second to the Japanese machine tool manufacturers and distributors section.

Most exhibitors were pleased with the response to their displays which some remarked to be better than they had expected. Some machines were sold from the stands. New distributors were appointed and there was guarded optimism that prospects for the future, certainly in the second half of the year, looked better. It will, however, be several weeks before participants know whether the inquiries they have received have turned out to be serious with a definite prospect of business and the realization of orders. Many exhibitors throughout the show expressed the view that while the attendance was down visitors were drawn from the higher ranks of management and decision making.

Among the more sophisticated equipment seen in the British display was the new Herbert-BSA Batchmatic 50 numerically controlled single spindle turning machine for rapid and economic small batch production. This was the machine's first appearance in the United States market. Another exhibit which gained constant attention was the Unit One Molins System 24 machine tool which is capable of machining complicated light alloy components through the use of three-axis continuous path computer control.

Automatic lathes

Nichols Automatics EMI Ltd demonstrated a battery of automatic turret lathes from 1 in.-2¼in. capacity with plug board control, and among the larger machines in the exhibit was a 250 ton open front mechanical press and 10ft. x ¼in. mechanical under crank shear demonstrated by Scottish Machine Tool Corp.

British commercial officers from posts at New York, Washington, Detroit, Chicago and Minneapolis, as well as from Philadelphia, assisted Mr. D. Bromige in handling 183 inquiries of varying quality at the MTTA information counter.

Apart from the joint venture, products of eight other British firms were seen among the exhibits.

Next year's show will take place in Chicago from April 24-29 and another major machine tool event will be held in that city from September 5-16 1972; this event will be arranged by the National Machine Tool Builders Association and the show is expected to occupy 340,000 sq. ft. of space, about double the space used at the SME Show at Philadelphia this year.

Royal Navy at British Week in San Francisco

THE COMMAND helicopter cruiser HMS Blake will represent the Royal Navy at San Francisco's British Week, a trade promotion to be held from October 1-9. The ship will be open to the public during her stay.

The Californian city will be a 'home from home' for the ship's 930 officers and men during the British Week, which is to be officially opened by HRH Princess Alexandra. Many of the city's 400 stores will be displaying British goods, and among the participants will be the English Opera Company, the regimental band of the Royal Artillery, the Corps of Pipes and Drums of the Royal Scots, the London Philharmonic Orchestra and the Pendyrus Choir.

Two London buses will operate on the city's streets which will be patrolled by British policemen and policewomen.

The famous steam locomotive The Flying Scotsman will be on view in the city, while other historic exhibits will include early Admiralty charts of San Francisco Bay.

Visitors to British Week, which ends with a spectacular fireworks display, will include the Lord Mayor of London.

Overseas interest in incentives

EACH YEAR more and more overseas visitors attend the Incentive Marketing Exhibition and its associated conference, claim the organizers.

In London in Spring, 1970, the show was visited by 120 members of the French Institut International de la Promotion des Ventes. And early indications suggest that a large number of European visitors were at Brighton for this year's event (May 10-13).

Kodak, Prestige, Singer, Gillette and EMI were among some of the well-known companies exhibiting, and merchandise offered ranged from toys, household wares, radios, cameras to leather goods, textiles and furniture.

OVERSEAS COMMERCIAL POSTS

Over 200 official commercial posts in all the main centres of world trade are at the service of the United Kingdom exporter. A full list of their addresses is given on pages i-viii of October 7 issue.

VISITS OVERSEAS OF UNITED KINGDOM BUSINESSMEN

British businessmen intending to travel overseas are urged in their own interests to make the earliest possible contact, before going abroad, with the Export Services Division of the Department of Trade and Industry (DTI) (at either the Regional Office covering their area or Export House, 50 Ludgate Hill, London, EC4M 7HU). The DTI, in co-operation with Commercial Officers at Embassies, High Commissions and Consulates overseas, are in a position to provide advice when it is required, and to arrange for suitable introductions and contacts related to the purpose of their business.

The information which the DTI require, apart from a businessman's name and that of the firm he represents, consists of details of his itinerary, giving the places to be visited and the dates as nearly as can be estimated, the names and addresses of the local agents, if any, at the places to be visited the general purpose of the visit, the type of contacts and introduction which the businessman would like to have arranged for him in advance, and any other relevant information which the businessman might consider would enable him to obtain maximum results. Where appropriate, these details should be accompanied by copies of trade literature, relating to the product which the businessman is proposing to sell.

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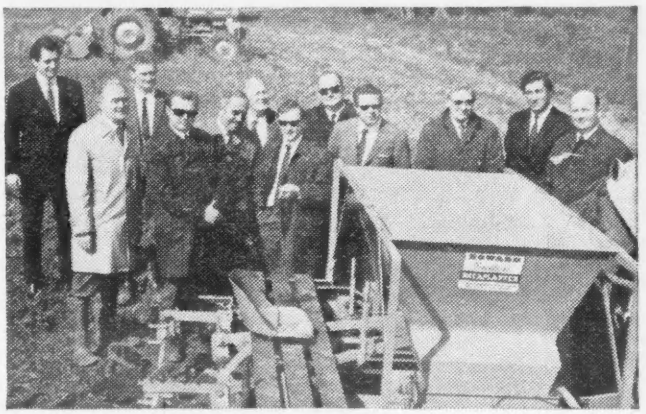
Export Missions and Tours

Businessmen going overseas are reminded that the services of British commercial officers in posts throughout the world are freely available to them. A list of addresses was published in pink paper supplement of April 7 issue. Businessmen wishing to avail themselves of this assistance should consult in advance either the regional officers of the Department of Trade and Industry (see page 445, March 3 issue of Trade and Industry) ***or the Export Services Division, Export House, 50 Ludgate Hill, London EC4M 7HU (Tel. 01-248 5757).***

HINTS TO BUSINESSMEN

The 'Hints to Business Men' series of booklets, covering over 100 individual countries, provides useful information on such subjects as travel, hotels, climate, currency, public holi- and summarizes the nature and extent of imports and export. Copies may be obtained free of charge by British businessmen who intend visiting any country on export business, on application to Export Services Division, Department of Trade and Industry, Export House, 50 Ludgate Hill London, EC4M 7HU (Tel. 01-248 5757, Ext. 7146).

First major visitor this week to the new demonstration centre built and equipped at the Peterborough headquarters of British Domestic Appliances Ltd. was Mr. D. Lopes, managing director of a leading Portuguese firm of wholesalers and retailers, Sida Sueca Limitada. The purpose of Mr. Lopes' visit, his second to British Domestic Appliances, was to negotiate a further large order of BDA portable appliances. Picture shows (left to right): Mr. Colin Stuttard, of BDA International Ltd.; Mr. Lopes, and Mr. Bob White, BDA international sales manager.



Senior executives and sales staff of MICA, the Danish agricultural machinery distributors who handle the Howard Rotavator franchise, have just spent two days at the company's factory at West Horndon. Full discussions were held covering MICA's plans for marketing Howard machines this year, and our photograph shows the group studying the Rotaplanter, with two members of the Howard export staff. Mr. Drud, managing director of MICA (second from left), placed orders for 160 Rotavators, before the party left for Howard's factory at Harleston, Norfolk.

OUTWARD MISSIONS

Visits to Moscow, South Africa, Canada

LEICESTER and County Chamber of Commerce and Industry have sent missions to Moscow eight times in eight years and a ninth mission will leave on September 27. It will comprise 17 businessmen, plus a secretary.

Missions to Russia have been very successful in the past, resulting in at least £6 million worth of business.

A mission of 12 members will leave on July 22 for a 16-day visit to Johannesburg, Durban and Cape Town.

Plans are also afoot for a mission to Canada in November, visiting Vancouver, Winnipeg, Toronto and Montreal.

These three missions will receive no BNEC assistance or grant from any other Government source.

Visits to Japan and Hong Kong

IN a joint statement issued by Mr. Arthur Bryan and Mr. Sam Jerrett, president and director respectively of the British Pottery Manufacturers' Federation, satisfaction is reported with their research mission to Japan and Hong Kong. This was sponsored by the British National Export Council, the Department of Trade and Industry and the Federation.

After visiting many retail outlets in the leading cities of Japan they are confident that, with a properly organized marketing effort in that country, a good increase in sales of British bone china and earthenware can be realized in the next two years and a substantial increase over the next eight years. The popularity of imported quality merchandise is apparent and the British pottery industry should be well placed to share this vogue. Also, in view of the recently intensified Japanese efforts in the United Kingdom market, the two delegates are confident that the trading climate is right for a two-way trade development.

During their stay they visited the three leading tableware factories and had talks with officials of the Japanese pottery industry. These talks were open and frank about the mutual problems each country faced in the two markets. The Japanese ware most helpful at all stages of the visit.

In Hong Kong they visited the Hong Kong Chamber of Commerce and met leading importers, both wholesale and retail.

EXPORT TOURS

Japanese sales campaign

ADCOCK & SHIPLEY LTD., Leicester, milling machine manufacturers, have launched a sales campaign aimed at establishing Japan as one of the company's half-dozen best export markets. Mr. Eric Irven, export sales manager, recently returned from a Far East tour, during which he established a network of three sub-agents in Japan to support the main Tokyo-based agent appointed in 1970.

The new Nagoya-based sub-agent had a stand at the recent All-Japan Best Machine Show, where he exhibited two Adcock-Shipley No. 1 horizontal milling machines, and gained a large number of inquiries.

Sales drive in Japan

MR. GEORGE CLARKE, advertisment manager of the IPC Business Press journal *British Plastics*, flew to Japan recently to carry out a full-scale sales drive for the journal.

During his visit, which will last until the end of May, Mr. Clarke will have his headquarters at International Business Press, IPC's agents in Tokyo. Operating in close contact with Mr. Kazu Utsumi, IBP's general sales manager, he intends to make contact with some 30 companies in the Japanese chemical and plastics industry.

The journal, which started publication 43 years ago, sponsors London's International Plastics Exhibition.

LETTERS TO THE EDITOR

Editorial communications should be addressed to the Editor, Trade and Industry, Room 437, Department of Trade and Industry, 1 Victoria Street, London, SWEH OET (Tel. 01222 7877, Ext. 2653/6) and not to HMSO.

Export Orders

Firms are invited to send in brief details of recent export orders or contracts for insertion in these columns.

£10 million transatlantic cable

Standard Telephones and Cables Ltd., London, have been awarded a contract worth £10 million to manufacture and install a 160-circuit submarine telephone cable between Brazil and the Canary Islands. The cable system – Brazil's first direct cable link to Europe, supplementing existing satellite links – will be ready for service at the end of 1972. It will run for over 2,700 nautical miles, from Recife to Las Palmas, and will carry up to 160 simultaneous telephone conversations. The voice signals will be amplified along the route by some 140 transistorized repeaters spliced in at regular intervals along the cable.

The cable will be made at the company's Southampton plant, the repeaters at North Woolwich and the terminal equipment at Basildno and Newport.

Equipment for West Pakistan

Todd Combustion Ltd., Swanley, Kent – a member of the CEA group – is supplying equipment for two water tube boilers for a sugar mill in West Pakistan. The order, obtained from Stork-Hengelo of Holland, is for registers, burners, pumping units, tankage and pipework.

The British company is also supplying modern burner equipment for sugar mills in Australia.

Jumbo liferafts for Jumbo jets

A first batch of 11 Jumbo-sized liferafts were delivered recently to Qantas for use on their Boeing 747 aircraft. The manufacturers, Beaufort (Air Sea) Equipment Ltd., Birkenhead, claim that the 40-seater liferafts are the largest ever to be accepted for aircraft use.

Designed specifically for the Jumbo generation of aircraft, the rafts are equally suitable for existing aircraft because of their weight economy and small stowage requirements.

£100,000 orders from Finland

The latest in a series of orders received during the past three years has brought the total value of PYE TMC multiplex equipment ordered by Finland's Post and Telecommunications Department to nearly £100,000.

Since establishing a breakthrough in Finland in 1968, PYE TMC have received a number of substantial orders for 24-channel telegraph multiplex and claim to be principal supplier of this type of equipment nowadays to the Finnish administration.

To meet specific requirements of the Finnish PTT, a number of small modifications to the system have been carried out by PYE TMC development engineers at the company's transmission division, St. Mary Cray, Kent.

To help them win export sales for baby lobster tails from Scotland, seafood specialists A. Roy Clouston and Sons Ltd. are using a carton with gourmet appeal, produced by the carton division of Bowater Flexible Packaging Ltd., Gillingham, Kent. From the packing plant at Garloch, Ross-shire, the lobster tails are exported to Canada, the United States, and Switzerland – markets hitherto dominated by packers in Denmark and Iceland. The tails are frozen in the pack and transported under refrigeration.

RECORD CARPET EXPORTS

The British Carpets Export Promotion Council announce that exports of British carpets during 1970 reached the record total of £28,695,556 (1969: £26,562,197).

Forty member firms of the Federation of British Carpet Manufacturers and the Tufted Carpet Manufacturers' Association took part last year in joint promotion activities organized by the Council in Canada, France, Germany, Sweden, Finland and Italy.

EFTA countries (combined) represented the biggest market for British carpets with £12,683,514, followed by Australia with £4,741,924 and EEC countries (combined) with £3,660,886.

Despite the tariff on imported machine-made carpets, exports to the United States rose from £641,751 in 1969 to £819,008 last year.

Other notable markets are Japan and Italy, where sales increased from £76,881 (1969) to £128,779 (1970), and £460,253 (1969) to £695,370 (1970) respectively.

Order from Iraq – first for six years

English Tools Ltd., Wigan, have received an order for 6,000 shovel heads from Iraq Railways – their first order from Iraq since 1965. An order for 12,000 shovels for the Uganda Army has also been announced.

Two new markets won

Yorkshire Switchgear & Engineering Co. Ltd., Leeds, who already export to more than 40 countries throughout the world, report recent orders from two new overseas markets.

In Ecuador, switchgear and transformer equipment to the value of £42,000 will be supplied for the El Oro power station (main contractors: Ruston Paxman Diesels).

Ulsan, South Korea, will be the destination of an 11kV indoor switchboard. Under a contract worth over £50,000 the company will supply switchgear for the Korea Pacific Chemical Corporation's new chemical plant (main contractors: Procon (Great Britain) Ltd.).

Malawi power line

British Insulated Callender's Construction Co. Ltd. are to supply and erect for the Electricity Supply Commission of Malawi a 66 kV, 200-mile-long power line – the first in Malawi with steel towers. The contract is worth £750,000.

The first section, 164·5 miles long, will take power from the Nkula Falls to the town of Lilongwe, being developed as Malawi's future seat of government. The smaller section, 35·75 miles long, links Nkula Falls with the new power station, presently under construction at Tedzani, and with Blantyre.

Alphabets for Finland

Convex Ltd., London, have obtained an order to supply 100,000 sheets of their 'Myrogram' self-adhesive, metallized, vinyl cut-out alphabets to Gulf Oil, Helsinki, to be given away in a massive advertising campaign. Special letters for the Finnish alphabet were designed and incorporated, together with a three-colour advertising/instruction leaflet in Finnish.

Pumps for Korean chemical plant

Varley-FMC Ltd., Brentford, Middlesex, have been awarded orders for over 70 pumps from their Peerless 'CenterLine' range of horizontal process pumps and from the vertical Peerless turbine pump range, by Procon (Great Britain) Ltd. Destined for the Ulsan site of Korea Pacific Chemical Corporation in the Republic of Korea, the pumps are valued at over £50,000.

Compaction equipment for Cuba

E. P. Allam & Co. Ltd., Southend, Essex, have secured a £20,000 order for compaction equipment for the Government of Cuba. Included in the order were 40 'Tampactor' vibrating plate compactors, powered by Petter diesel engines.

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Overseas Trade and Exports

TRADE WITH CENTRAL AND SOUTH AMERICA—14

Opportunity and the personal touch in Honduras

by Mr. H. A. Rogers, First Secretary and Consul at the British Embassy, Tegucigalpa

The country and its people

THE CENTRAL AMERICAN Republic of Honduras has a population of about 2.5 million. The country is intersected by mountain ranges and, of its 43,000 square miles, less than 15 per cent is arable. The capital and administrative centre of Tegucigalpa has a population of 210,000. The country's industrial centre, San Pedro Sula (population 120,000) is located on the north coast near the main port of Puerto Cortes. In business terms one need not look further than these two towns and the port. Between them they control the economic life of the country.

Honduran relations with the Central American Common Market (CACM)

The war with El Salvador in 1969 cut off diplomatic and commercial relations between the two countries and the aftermath of the war continues to be seriously unsettling. Honduras has lagged behind the other CACM republics in economic development and membership of CACM has not helped. Foreign investment has tended to go elsewhere so that in recent years Honduras has become a market for the light industrial products of the other CACM countries to the detriment of its balance of payments position, particularly in 1970. The Honduran authorities have sought to correct this by instituting a system of import control by the Central Bank (see *Trade and Industry* for February 3, page 241 and February 24, page 436) which should have the effect of opening the market to imports from non-CACM sources. The immediate economic prospects are uncertain but the currency is stable (at 2 Lempiras to the US dollar) and the Lempira continues to be – with few exceptions – freely convertible.

Agriculture

Hondurans by and large make their living off the land and the land rules their lives. Bananas are the mainstay of the economy and are the country's chief export. Coffee, wood, minerals, meat and sugar are also earners of foreign exchange though to a much lesser extent.

The great – largely untapped – natural resource of the country is pine: Honduras is covered with pine forests and some developments in paper and pulp are likely in the next few years. The Minister of Economy and Finance, is confident of support from the International Finance Corporation following recent discussions in Washington.

Livestock production is being fostered and current policy is to improve the quality of cattle raised for beef and dairy purposes.

Industry

The establishment of light industry is on the increase. It is very largely confined to the San Pedro Sula area though one of the country's main textile plants is situated on the outskirts of Tegucigalpa. The brewing of beer and manufacture of soft drinks, cement, plastic household goods, furniture, car batteries, shirts, women's underwear and paints, is now well-established. Food-processing is also a growing industry. Honduras is nevertheless a late comer on the scene in Central American industrial terms. The Republic needs the co-operation and the markets of the other Central American countries to enable it to take its proper part in the industrialization of the area as a whole. One of the main tasks of the new Government will be to secure a fair share for Honduras in this regard at the Common Market negotiating table which will give both existing and projected local industries a firm base from which to operate. The domestic market alone is insufficient.

Roads, ports, airfields, railways, power and telecommunications

The need for improved communications is indeed great. But much has been done in recent years and the tempo of development should increase. Progress depends on money and here we really mean aid since Honduras cannot itself generate the large sums required (the budget for 1971 is balanced at no more than £52.3 million). The United States is of course an important traditional source of aid but other countries including Britain are becoming increasingly involved as well as the Central American Bank for Economic Integration, the World Bank, the International Finance Corporation and the Inter-American Development Bank.

United Kingdom trade and opportunities

The total annual value of imports into Honduras averages about US$185 million (of which the United Kingdom share is about US$3.1 million). The United States dominates the market but her share fell somewhat in 1969. The Central American countries, West Germany and Japan – and to a modest extent Britain – are, on the other hand, increasing their exports. If we made the effort we could probably double our exports within a few years. Poor communications and delivery problems have hampered progress in the past but the French Line now operate a direct service to Puerto Cortes out of London.

British tractors, transport equipment (i.e. four-wheel drive vehicles and lorries) bicycles, hand-tools and spirits have maintained a steady share of the local market for some years. We should be able to sell more in the way of pharmaceuticals, agricultural, construction (though here there is a tendency to standardize on United States equipment for spares purposes) and irrigation equipment, food-processing machinery, mining, pumping and power plant and such items as are required in port-work and cargo handling. The Empresa Nacional de Energía Electrica (the Honduran equivalent of the Central Electricity Generating Board) have for example put out eight calls for tender for substantial amounts of plant and equipment in the past few months all of which have been reported in the Department of Trade and Industry's Computerized Intelligence Service.

The search for oil is gaining momentum on the North East coast and mining activity and exploration is on the increase.

The National Port Authority has a continuing port expansion programme which provides a constant need for the renewal of equipment and also the use of consultative services from time to time.

(Continued on next page)

HONDURAS, *continued*

The number of major road construction projects financed from international monetary sources (as distinct from USAID funds) over the next few years is likely to grow and a new modern airport to serve the capital Tegucigalpa is regarded as urgent. The national railway system, operating only on the North coast (where the Fruit Companies maintain their own railway system for the transport of bananas), has been in the market recently for diesel locomotives.

The Japanese have secured some useful business in the telecommunications field in the recent past so that this is probably not a sector where really worthwhile contracts can be secured for a while.

In a variety of general products in the consumer field opportunities for steady – if small – sales exist. Supermarket items, paperbacks, stationery, toys, etc., are examples. Price is, of course, all-important, as is credit. But equally to the point is to show interest. Surprisingly useful business can often be uncovered.

Honduran businessmen do appreciate personal contact. Most of them would admit to being poor correspondents: the facelessness of it defeats them. So business conducted by letter alone seldom flowers.

TRADE WITH CENTRAL AND SOUTH AMERICA

Previous articles in this series were published in the following issues of *Trade and Industry:*

Costa Rica: small but rich in opportunities	October 28, 1970
Peru: the changing economy	November 11, 1970
The Venezuelan economy and Anglo-Venezuelan trade	December 2, 1970
Panama: the right time to tackle a promising market	December 16, 1970
Brazil: one of the world's most exciting and varied markets	December 30, 1970
El Salvador: the little giant	January 13
Bolivia: low in the league table but high in potential	January 27
Export prospects in Mexico for the next six years	February 17
The Dominican Republic: an economy restored	March 3
Guatemala diversifies her economy	March 17
The Andean Pact – a vehicle of economic integration	April 7
Nicaragua – A promising market for determined exporters	April 21
Colombia continues its fast growth: When did you last look at it as a market for your product?	May 12

TRADE AND FINANCIAL ARRANGEMENTS

Where further information is available to inquirers, it may be obtained from either Commercial Relations and Exports (CRE) Division, DTI, 1 Victoria Street, London, SW1H 0ET (Tel. 01-222 7877), or Export Data Branch (EDB), DTI, Export House, 50 Ludgate Hill, London, EC4M 7HU (Tel. 01-248 5757). In each case, the relevant information source is indicated at the end of the notice by its initials (CRE or EDB) together with the appropriate telephone extension number.

UNITED KINGDOM AID TO DEVELOPING COUNTRIES – INDONESIA: Loan agreements under which Britain will provide £9 million of aid for Indonesia during the financial year 1971/72 were signed at a ceremony at the Overseas Development Administration. Mr. Richard Wood, Minister for Overseas Development, signed on behalf of Her Majesty's Government and the Sultan of Jogjakarta, State Minister for Economic, Financial and Industrial Affairs, on behalf of the Government of Indonesia. The £9 million, which was pledged by Britain at the meeting of the Inter-governmental Group on Aid to Indonesia in Amsterdam last month, is four times the amount of disbursements of British aid to Indonesia in 1970/71. It will consist of £5 million for project aid and £4 million for aid for general imports. Reference CRE 25670/G.

CRE Ext. 2253

GIBRALTAR: Britain is making £5.15 million available to Gibraltar to finance a housing project on the viaduct reclamation site there. The project will comprise 20 five-storey blocks providing some 650 flats to house 2,600 people. Communal facilities in the complex will include play areas for children, sites for shops and a promenade. The cost of the project exclusive of land value, estimated at £5.15 million, will be financed through British Government development aid, three-quarters by way of grant and the balance by loan repayable over 25 years. This is likely to be the major part of the Gibraltar development programme with which the British Government will be associated during the three years April 1973 to March 1976. Messrs Hugh Wilson and Lewis Womersley, chartered architects and town planners, have been engaged as consultants, with Messrs Ove Arup and Partners as consultant engineers and Messrs Widnell and Trollop as quantity surveyors. Reference No. 16154/2G.

CRE Ext. 3476

ALBANIA AND ITALY: It has been announced in the Italian *Informazioni per il Commercio estero* that a Trade Agreement for 1971 between Albania and Italy was signed in Tirana on February 19. Details including the commodity lists for 1971 in the Italian language are available on application.

EDB Ext. 466, 467, 482

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CZECHOSLOVAKIA AND POLAND: The Czechoslovak press reports that Chechoslovakia and Poland will be co-ordinating their economic plans during 1971-75. The two countries plan joint production of building and roadmaking machines and will co-operate on programmes for audio electrical engineering and computer techniques; co-operation on the production of buses and tractors will continue and agreement has been reached on specialization in the production of certain types of machine tool.

Trade in goods between Czechoslovakia and Poland in the five year period is expected to exceed 2.8 milliard roubles – some 60 per cent more than in 1966-70. Poland will meet Czechoslovakia's growing need for sulphur, and deliveries are expected to exceed one million tons. She will also deliver soda and salt. Czechoslovakia will take delivery of 95,000 tons of Polish copper from the refinery set up in Poland on Czechoslovak credits under agreement of 1961 and 1968, and will import 14 million tons of Polish hard coal in the five year period for use mainly in power stations. Czechoslovak exports to Poland will include chloroprene (synthetic) rubber, titanium dioxide, bleaching earth and commercial vehicle tyres, as well as various engineering goods in payment for copper and coal.

A protocol signed in February covering exchanges of goods between the two countries in 1971 mentions sewing machines, immersion heaters, electric stoves, flat pack batteries and car covers among proposed Polish exports to Czechoslovakia, and in the other direction Czechoslovak leather fancy goods, electric ventilators, hair driers, fishing equipment and biscuits for sale to Poland.

CRE Ext. 2267

TUNISIA AND BULGARIA: The Tunisian *Journal Officiel* of April 20 announced details of trading arrangements for 1971 decided within the framework of the 1964 long term Trade Agreement between Tunisia and Bulgaria. Principal Bulgarian exports under the Agreement will include sheep, nitrogenous fertilizers and iron and steel products whilst Tunisian exports will include phosphates, iron ore and cork.

EDB Ext. 466, 467, 482

ECGD suspend cover for Pakistan

THE EXPORT CREDITS Guarantee Department announced on May 13 that it has been obliged to suspend further cover for exports to Pakistan. Existing ECGD commitments will, of course, be honoured but no new contracts will be covered. In the case of policies covering shipments only, no further shipments will be covered.

Hints to businessmen booklets

REVISED EDITIONS of the booklets on Sweden and Greece have been published in the 'Hints to Business Men' series.

British business men who intend visiting these countries on export business can obtain copies of the booklets on application to Export Services Division, Department of Trade and Industry, Room C07, Export House, 50 Ludgate Hill, London, EC4M 7HU (Tel. 01-248 5757, Ext. 7146), or to any Regional Office of the Department of Trade and Industry.

EXPORT PUBLICITY FOR INDUSTRY

Publicity for British exporters can often be obtained through use of the facilities of the Central Office of Information, who are concerned with collecting from industry items suitable for dissemination overseas by way of Government information services. The COI are interested in news items, feature article material, photographs, tape recordings for radio, films for television and other screening. Contact should be made with the nearest Regional Office covering your area.

NORTHERN: Mr. A. A. McLoughlin, Wellbar House, Gallowgate, Newcastle-upon-Tyne, NE1 4TB (0632 27575 – Telex 53277).

EAST & WEST RIDINGS: Mr. D. de M Guilfoyle, OBE, City House, Leeds, LS1 4JG (0532 38232 – Telex EconPlan 55472 – message to be prefixed for COI).

NORTH MIDLAND: Mr. T. Cooban, Cranbrook House, Cranbrook Street, Nottingham, NG1 1EW (0602 46121 – Telex 37572).

EASTERN: Mr. P. L. K. Schwabe, MVO, Block A, Government Buildings, Brooklands Avenue, Cambridge CB2 2DF (0223 58911 – Telex 81187).

LONDON & SOUTH EASTERN: Mr. E. A. Hunt, St. Christopher House Annexe, Sumner Street, London, S.E.1 (01-928 2371 – Telex 915444).

SOUTHERN: Mr. P. T. Ede, Market Place House, Reading, RG1 2EH (0734 581261 – Telex 84216).

SOUTH WESTERN: Mr. W. J. D. Irving, MVO, The Pithay, Bristol, BS1 2NF (0272 21071 – Telex 44203).

MIDLAND: Mr. D. C. Boyd, Five Ways House, Islington Row, Birmingham, 15 (021 643 8191 – Telex 33376).

NORTH WESTERN: Mr. H. V. Tillotson, Sunley Building, Piccadilly Plaza, Manchester, M1 4BD (061-832 9111 – Telex 667830).

SCOTTISH OFFICE: Scottish Information Office, St. Andrew's House, Edinburgh, 1 (031-556 8501) District Office: 314 St. Vincent Street, Glasgow, C2 (041-221 5670 – Telex 77583).

ULSTER OFFICE: Director of Information, Northern Ireland Information Service, Stormont Castle, Belfast, BT4 3ST (0232 63011).

WELSH OFFICE: Mr. Idris Evans, MVO, Director, Welsh Office Information Division, 42 Park Place, Cardiff, CF1 3PY (0222 28066 – Telex 49327).

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Tariff and trade notices and commercial information from overseas

The Department of Trade and Industry can usually provide exporters with further information on the notices published in this section. The branches concerned are: Commercial Relations and Exports (CRE) Division, DTI, 1 Victoria Street, London, SW1H 0ET (Tel. 01-222 7877); Export Services Division (ESD) and Export Data Branch (EDB), DTI, Export House, 50 Ludgate Hill, London, EC4M 7HU (Tel. 01-248 5757). In each case, the relevant information source is indicated at the end of the notice by its initials (CRE or EDB) together with the appropriate telephone extension number.

European Communities

COMMON AGRICULTURAL POLICY: The texts of the following Regulations which affect the various agricultural sectors in the EEC have been published in the *Journal Officiel des Communautés Européennes*. The French texts of the Regulations may be seen on application.

General

Regulation (CEE) No. 913/71 relates to amending the lists of products subject to the special system for payment of refunds set up by **Regulation (CEE) No. 441/69** (*Journal Officiel* No. L98 dated May 1, 1971).

Pigmeat

Regulation (CEE) No. 912/71 modifies the French and Italian texts of **Regulation (CEE) No. 391/68** relating to the methods of application of intervention prices in the pigmeat sector (*Journal Officiel* No. L98 dated May 1, 1971).

Milk and milk products

Regulation (CEE) No. 951/71 modifies **Regulation (CEE) No. 1098/68** establishing the methods of application for export refunds in the milk and milk products sector (*Journal Officiel* No. L103 dated May 8, 1971).

Regulation (CEE) No. 952/71 modifies **Regulation Nos. 2637/70** and **2683/70** in so far as they concern the fixing in advance of refunds and the period of validity of export certificates for powdered whole milk (*Journal Officiel* No. L103 dated May 8, 1971).

EDB Ext. 7174, 408

RULES OF COMPETITION: The *Journal Officiel des Communautés Européennes* No. L34 dated February 11, 1971 contains the text of the Commission's **Decision 71/85** on an application submitted by the Centre international de commerce de gros (International Wholesale Trade Centre) of Brussels, concerning agreements on payment of copyright between the Zentralstelle für Uberspielungsrechte (ZPU) and manufacturers and importers of recording equipment established in Germany. An unofficial translation of this Decision may be obtained on application.

CRE Ext. 2354/5

France

LIBERALIZATION OF IMPORTS: The French *Journal Officiel* of May 7 announced the liberalization, with immediate effect, of the following product, previously subject to quantitative restriction when imported into France from all sources:

Tariff No.	Description
48.01 ex E	Paper for periodical publications

This liberalization measure applies also to imports into French Overseas Departments of Réunion, Martinique, Guadeloupe and Guiana.

EDB Ext. 423, 408, 288

Registered trade mark (r t m) goods in overseas tariff list

The lists of Tariff, Customs and Import Regulations changes in overseas countries published in this section of Trade and Industry *sometimes contain words which are registered trade marks in the United Kingdom. So far as is practicable, all lists of goods are checked before publication from this point of view.*

Items which fall into this category are preceded by the letters 'r t m'. Readers should note that this prefix signifies that the words are registered as trade marks in the United Kingdom, but that in the present context they are assumed to refer generally to products of the descriptions stated in brackets.

While every attempt will be made to ensure that the scrutiny is complete, the lists may contain other words which are registered as trade marks in the United Kingdom or in other countries but which it has not been possible to identify.

INTERNATIONAL TRADE CENTRE UNCTAD/GATT

The International Trade Centre was established by the General Agreement on Tariffs and Trade (GATT) at the request of the developing countries. Since January, 1968, it has been jointly operated by the United Nations Conference on Trade and Development (UNCTAD) and the GATT. The Centre's aim is to assist the developing countries in their export trade by providing them with information on export markets and marketing and helping them to develop their export promotion services and to train the necessary personnel.

Further information about the Trade Centre and its work may be obtained from United Kingdom Liaison Officer, Miss E. P. M. Baggs, Department of Trade and Industry, 1 Victoria Street, London, SW1 OET (Tel. 01-222 7877, Ext. 2438).

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Belgium

PROHIBITION ON IMPORTATION OF POULTRY INTO BELGIUM: *Moniteur Belge* of April 27, published a Ministerial Decree annulling a Decree of February 16, 1971, which prolonged the ban on importation of live chickens and other feathered birds from United Kingdom as published in *Trade and Industry*, January 20, 1971. Inquiries from British exporters about this notice should be made to the Ministry of Agriculture, Fisheries and Food (Export Section) (Tel. 01-337 6611, Ext. 148).

Switzerland

REVALUATION: The Swiss Government announced on May 9 that the Swiss franc was being revalued upwards by 7 per cent and would thus give an exchange rate of 4.08 Swiss francs to the dollar.

CRE Ext. 2340, 2341

Portugal

DRAWBACK – SHEETS OF RUBBER: Portuguese *Diario do Governo* No. 73, First Series of March 27, authorized the import, under drawback, of sheets of rubber with a plastic coating on one face, and falling within tariff heading 40.08.02. The authorization, extending for one year, relates to the manufacture of soles to be incorporated into footwear which is to be exported under the drawback arrangement. The regulations relating to the refund of duty, and all other conditions for implementation, will be governed in each case by a Ministerial decision.

EDB Ext. 460, 462

DRAWBACK – PENICILLIN G POTASSIUM: Portuguese *Diario do Governo* No. 70, First Series, of March 24, published Order No. 157/71 which authorized the import, under drawback, of penicillin G potassium for manufacture of tri-hydrated ampicillin to be exported under the same arrangement. The percentages to be used in calculating the refund of duties, and all further conditions for implementation, will be governed in each case by a Ministerial decision

EDB Ext. 460, 462

Turkey

CUSTOMS DUTY EXEMPTION: A Decree by the former Government, published in the Turkish *Official Gazette* No. 13810 of April 15, exempts from Customs Duty medical equipment regulating heart beats by mechanical means (Tariff Nos. 85.22 and 90.17).

EDB Ext. 420, 475

Irish Republic

BUDGET AMENDMENTS OF CUSTOMS AND EXCISE DUTIES AND DRAWBACK: The revised rates of duty and drawback in the Republic of Ireland, as shown below, are applied on and from April 29, 1971, to beer of all descriptions:

Beer – (Tariff Headings Nos. 22.03, 22.07 (A) and 400/1)

Customs duty:		
(a) Beer of any description of which the worts were before fermentation of a specific gravity of 1,055°	for every 36 gallons	£29.192
Customs drawback:		
(b) Beer of an original specific gravity of 1,055°	for every 36 gallons	£29.18
Excise duty:		
(c) Worts of a specific gravity of 1,055°	for every 36 gallons	£29.167
Excise drawback:		
(d) Beer of an original specific gravity of 1,055°	for every 36 gallons	£29·18

Where, in the case of beer which is chargeable with duty at the rate shown at (a) or (c) above, or in the case of beer on which drawback is payable at the rate shown at (b) and (d) above, the specific gravity of the beer is not 1,055°, the duty or drawback shall be varied proportionately.

Spirits

The revised Customs and Excise duties below took effect on April 29 1971:

Customs duties on spirits:

Spirits other than:

(i) Spirits manufactured in and consigned from the United Kingdom, and

(ii) Whiskey of Northern Ireland origin, to which special rates apply.

Description		Rates of duty	
		Full	Preferential
Perfumed spirits:			
If warehoused 3 years or more	the liquid gallon	£32·267	£32.067
If not warehoused or warehoused less than 3 years	the liquid gallon	£32.467	£32.267
Liqueurs, cordials, mixtures and other preparations in bottle entered in such manner as to indicate that the strength is not to be tested:			
If warehoused 3 years or more	the liquid gallon	£27.223	£27.056
If not warehoused, or warehoused less than 3 years	the liquid gallon	£27.39	£27.223
Spirits of any description not heretofore mentioned and mixtures and preparations containing spirit:			
If warehoused 3 years or more	the proof gallon	£20.167	£20.042
If not warehoused, or warehoused less than 3 years	the proof gallon	£20.292	£20.167

Customs duties on spirits manufactured in and consigned from the United Kingdom

Description		Rates of duty
Perfumed spirits:		
If warehoused 3 years or more	the liquid gallon	£26.963
If not warehoused, or warehoused less than 3 years	the liquid gallon	£27.163
Liqueurs, cordials, mixtures and other preparations in bottle entered in such manner as to indicate that the strength is not to be tested:		
If warehoused 3 years or more	the liquid gallon	£22.75
If not warehoused, or warehoused less than 3 years	the liquid gallon	£22.917
Spirits of any description not heretofore mentioned and mixtures and preparations containing spirits:		
If warehoused 3 years or more	the proof gallon	£16.852
If not warehoused, or warehoused less than 3 years	the proof gallon	£16.977
Northern Ireland Whiskey:		
Spirits known as whiskey which at importation are shown to the satisfaction of the Revenue Commissioners to have been wholly manufactured in Northern Ireland and to have been bottled and consigned by the distiller:		
If warehoused 3 years or more	the proof gallon	£15.373
If not warehoused, or warehoused less than 3 years	the proof gallon	£15·498
Excise rates on spirits:		
If warehoused for 3 years or more	the proof gallon	£15.385
If not warehoused, or warehoused for less than 3 years	the proof gallon	£15.51

Cyder and perry classified in Tariff Heading No. 22.07 (C) (2) were liable on and from April 29, 1971, to the following rates (per proof gallon):

Description	Full	Preferential and Special preferential	United Kingdom and Northern Ireland
Cyder	£20.292	£20.167	£16.977
Perry	£20.292	£20.167	£6.129†

† This rate remains unchanged

Further information about the above notices may be obtained from any Collector of Customs and Excise, or from the Secretary, Office of Revenue Commissioners, Dublin Castle, Dublin 2.

EDB Ext. 466, 467, 481

IN THIS SECTION COUNTRIES ARE GROUPED BY CONTINENTS AS FAR AS POSSIBLE. AN ALPHABETICAL LIST OF COUNTRIES MENTIONED APPEARS ON THE CONTENTS PAGE.

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Israel

PURCHASE TAX: Various amendments to the Israeli Purchase Tax Order have been made affecting the validity dates of the following items:

Electric tubes filled with neon or other gas (except fluorescent)
Yarn and thread
Socks and stockings, stretch of synthetic yarn
Articles of gold or silver, whether or not set with stones or pearls
Appliances for ventilating, changing temperature or humidity of air (of 3 h.p. or more)
Iron or steel round bars and rods; certain hot rolled iron or steel wire, rolled rods and wire of iron or steel having projections or hollows
Polished limestone or marble slabs
Commercial motor vehicle chassis
Mineral oils
Fruit juices, sweetened beverages, fermented fruit beverages
Electric heating appliances (excluding car heaters)
Electro-hydraulic and electro-pneumatic door openers
Escalators and parts thereof
Conveyor belt devices for shops
Oil cloth
Camping equipment for the promotion of foreign tourism in Israel
Sealing preparations for water preservation in the soil
Polyethylene and carbon mixtures (BN 32.07)
Lavatory seats (BN 39.07 and 69.10)
Aluminium rods with iron or steel cores. **EDB Ext. 420, 475**

SECRET MARKINGS ORDER: The Israeli Commodities and Services (Control) Order (Secret Markings) 1963, which covers secret markings on containers of food or drink for human consumption, was amended on January 27, 1971 by the addition of a new paragraph in Section 2 which states that it is obligatory to mark by secret markings only the year of manufacture, if the name of the manufacturer and the name of the food have been indicated in a lasting manner on the lid of the box or on the box. Copies of the amendment and original order are available on request.
EDB Ext. 420, 475

IMPORT OF DIESEL CHASSIS: The Israeli Ministry of Communications have also decided that, as from May 1, import will be permitted of diesel chassis to be used by local authorities as refuse removal vans, on condition that the special device for the collection of the refuse shall be assembled from local manufacture and that it will be in conformity with the technical requirements of the Ministry of Communications Authorities. The rates of duty applicable to refuse removal vans will be established by the Customs and Excise Department and will be in force as from the date they are established. **EDB Ext. 420, 475**

IMPORT OF COMMERCIAL VEHICLES: The Israeli Ministry of Communications have decided that the import of commercial vehicles, including trucks of all kinds, stake bodies, trailers and semi-trailers, shall not be approved if the overall weight authorized by the manufacturers, or the loading capacity of the axles thereof, exceeds 20 per cent of the weight permitted by the Road Transport Regulations. An exception to this rule is a semi-trailer designed to haul a stake body for heavy equipment or tanks and which will be restricted to this use only in the vehicle licence.

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SURCHARGE AMENDMENTS: Changes have been made to the Israel Emergency Order (Rates of Compulsory Payments) 1964. The following are new items:

Tariff No.	Description	Rate of Tax
Ex 29.34	Organo-inorganic compounds of a formula: O.O.Dimethyl (2, 2, 2-trichloro-1-hydroxyethyl) phosphonate	45%
Ex 29.35	Heterocyclic compounds of a formula: O.O.Diethyl-0-(2-isopropyl-6-methyl-4-pyrimidinyl phosphorothioate)	45%
Ex 85·15	Radiotelephonic transmitters and receivers of a weight (without batteries or cases) not exceeding 150 kg.	Special calculation
The following item is repealed		
Ex 87.09	Used motor cycles	

EDB Ext. 420, 475

Kuwait

BANK RATE: It was reported on April 19 in the *Kuwait Times* that the National Assembly's Legislative Committee has approved an amendment to Article 166 of the Commercial Law whereby the 7 per cent ceiling on the local interest rate will be replaced by 'the rate of interest defined by the Central Bank on any given day.' The article went on to say that the need for the amendment was felt as a result of the higher interest rates paid in other countries during the recent disturbances in the international market. With the local interest rate restricted to 7 per cent, a considerable outflow of Kuwaiti capital has occurred, as a result of which liquidity of the local banks was effected and their ability to finance local persons weakened. It is reported that the new amendment stipulates that parties to a contract can specify any rate of interest which does not exceed the rate defined by the Central Bank on the day of the contract. In the case where a certain rate of interest is specified, which exceeds the Central Bank's rate, the difference has to be refunded to the party concerned. The report states that the amendment is now to be referred to the National Assembly where it is expected to be passed without significant opposition.

PROMOTIONAL AIDS FOR KUWAIT

BRITISH WEEK 'ON SHOW'

The Steering Committee for the British Trade Drive in Kuwait were given a preview recently of the promotional aids prepared by the DTI and COI for the British Week, October 10-18. *Picture shows (left to right): Lord Denman, chairman BNEC Committee for Middle East Trade (COMET) with Helen Rothnie, BNEC steering committee secretary, and Jack Swinton of the DTI.*

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Congo Kinshasa

IMPORT TARIFF EXEMPTIONS: It has been announced that treated materials destined for use in the pharmaceutical industry for the production of medicines under tariff heading 30.03.90 are exempt from import duties. Admission on exemption is subject to prior authorization from the Congo Kinshasa Chancellor of the Exchequer.

Ordinance No. 68/007 of January 6, 1968 is modified as follows:

Tariff position	Description	Statistical unit	Customs duty	Fiscal tax
30.03	Medicaments (includng veterinary medicaments):			
20	Quinine salts in capsules, tablets, sugar-coated pills, etc., including medicaments containing 50% and more of quinine	Kg.	10%	20%
90	Others	Kg.	Exempt	5%

This law came into force on March 15.

EDB Ext. 471/2/3

Togo

IMPORTATION AND EXPORTATION OF OBJECTS IN GOLD: It has been announced that travellers in Togo are authorized to import or export objects in gold up to a maximum weight of 500 grammes of gold, without prior authorization of the Ministry of Finance.

EDB Ext. 471/2/3

Republic of South Africa

CHANGE TO METRIC SYSTEM: During a recent press interview the Deputy Secretary of the South African Department of Customs and Excise, stated that imperial measures would continue to be used by the Department until July 1972. The point was raised because South Africa's ports and railways have already moved over to the metric system. Importers are in consequence required to prepare documents in the two systems of measurement, imperial for Customs and metric for port and railway purposes; this requirement should however end in July 1972.

CRE Ext. 2274

Mauritius

TARIFF QUOTA FOR PREPARED OR PRESERVED FISH: General Notice No. 125 published in the *Mauritius Gazette* of February 13 announces that during 1971 all prepared or preserved fish imported into Mauritius, within a tariff quota of 1,300,000 kilos, shall only be subject to the following rates of duty under tariff heading 16.04.90 in lieu of those at present quoted.

Fiscal Duty	Customs Duty	
	General	Preferential
0	20 per cent	10 per cent

EDB Ext. 471/2/3

IMPORT CONTROL: The Department of Trade and Industry has received a copy of the Mauritius Government Notice No. 7 of 1971. The effect of this notice is to make it necessary for importers of the following goods to obtain an import licence to import them into Mauritius from, *inter alia*, the United Kingdom. The goods are: sun oil, lipsticks, hair lacquer and nail varnish.

EDB Ext. 471/2/3

Malaysia

CUSTOMS DUTIES: The Malaysian *Government Gazette* dated April 29, published the Customs Duties (Amendment) (No. 5) Order, 1971 which amends the First Schedule to the Customs Duties Order, 1968 by deleting the items bearing heading numbers 85.12 200 and 85.12 930 and inserting in the appropriate places the following:

Heading No.	Description	Unit of quantity	Federation Common Tariff (Paragraph 2 (*f*) (d))
(1)	(2)	(3)	(4)
85.12	Electric instantaneous or storage water heaters and immersion heaters; electric soil heating apparatus and electric space heating apparatus; electric hair dressing appliances (for example hair dryers, hair curlers, curling tong heaters) and electric smoothing irons; electro-thermic domestic appliances; electric heating resistors; other than those of carbon:		
	Other than radio-frequency:		
210	Instantaneous or storage water heaters	No.	35% or $50 whichever is the higher
290	Immersion heaters	No.	35%
	Parts:		
930	For sub-heading No. 85.12 210	Value	35%
940	For sub-heading No. 85.12 290	Value	35%

British exporters may see the Malaysian Customs Tariff on application.

EDB Ext. 401, 468, 469

Australia

MARKING AND STANDARDIZATION OF PRE-PACKED GOODS: A notice was published in *Trade and Industry* dated March 3 to the effect that, pending the Australian Government's announcement of a programme for conversion to the metric system of weights and measures implementation of proposed legislation covering imported packaged goods had been deferred beyond May 1, 1971. It is expected that within a few months a date will be determined after which pre-packed consumer goods marked only in the imperial system will be prohibited imports. The date is envisaged as some time in 1973-74.

As from July 1, 1972, however, all imported pre-packed articles marked in the metric system whether as a sole or a dual marking, must, in respect of the metric marking, comply in full with all of the appropriate provisions of the booklet 'Marking and Standardization of Packaged Goods Imported into Australia' (eg, position, size of print, 'net' weight, etc.). Acceptable units of measurement and abbreviations in the metric system are set out in paragraphs 19 to 23 of the booklet. Note that abbreviations are to be in a lower case and the stop mark is not used. An amended booklet adjusted to metrication, including a revised standardization schedule, will be issued by the Australian customs shortly.

EDB Ext. 401, 468, 469

DUMPING DUTY ON DIAMOND DRILLING MACHINES: The Department of Trade and Industry has been notified by the British High Commission at Canberra that diamond drilling machines which fall within tariff item 84.23, have been made the subject of dumping duty and will take effect on all such goods which are exported to Australia on or after May 20, 1971. Reference No. CRE 2378/67.

CRE Ext. 2319, 2318

(*AUSTRALIA continued on next page*)

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AUSTRALIA, *continued*

RESULT OF TARIFF BOARD INQUIRY ON PAPER PULP (NEW ZEALAND – AUSTRALIA FREE TRADE AGREEMENT): A notice was published in the *Board of Trade Journal* dated July 12, 1968 to the effect that a reference had been made to the Australian Tariff Board in respect of paper pulp (tariff item 47.01.100). The inquiry has now been held, and as a result the duties on soft wood pulps have been increased from Free all sources to 20 per cent all sources except for those of New Zealand origin which will remain Free. By-law admission from any source will be accorded when suitable pulp of New Zealand origin is not available or when the importing company has obtained from New Zealand 75 per cent of suitable pulp for its requirements. These changes are effective from May 5, 1971.

EDB Ext. 401, 468, 469

New Zealand

POSTPONEMENT OF TARIFF AND DEVELOPMENT BOARD INQUIRY CONTINUOUS FILAMENT POLYESTER YARN: The New Zealand Tariff and Development Board inquiry into the protection of continuous filament polyester yarn (tariff items 51.01.43, 51.01.44 and 51.01.45) set down for May 6, 1971 was deferred. The new dates for this inquiry and the lodging of submissions of evidence will be notified at a later date. Details of this inquiry were published in *Trade and Industry* of March 24, pages 674/5.

CRE Ext. 2321

Under a new traffic control system at Sydney Harbour Bridge, tolls are collected from southbound traffic only during the rush periods. Six concertina booths running on rails across the road are hauled out and anchored by steel pins before the rush starts. The concertina operation has to be completely fool-proof since jamming could cause massive traffic jams. At the same time, the booths' movement must be smooth and rapid. For this operation the New South Wales Department of Main Roads employ a Lansing Bagnall TOER 8 electric towtractor. This vehicle has a drawbar pull of 25 tons and apart from moving the booths, is also used to deal with breakdowns on the bridge.

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Mexico

IMPORT DUTY AMENDMENTS: A number of alterations have recently been made to the Mexican rate of import duty. The goods affected are as follows:

Tariff No.	Description	Rate of duty		Official valuation
		Specific (pesos)	+ *Ad val.*	
15.10 A 016	Lauric alcohol	0·50	15%	
15.15 A001	Beeswax and other insects' waxes whether or not coloured except those in 15.15 A 002	0·75	20%	
15.15 A 002	Beeswax, refined and bleached, without any colouring	0·75	20%	
23.07 A 005	Preparations with a base of vitamin H, of a concentration no greater than 1%	0·50	25%	
27.07 A 015	Oil based rubber extenders	Free	5%	
27.10 A 017	Oil based rubber extenders	Free	5%	
28.31 A 013	Sodium hypochlorite	0·50	50%	
29.01 B 003	Butadiene	Free	5%	1·60
29.14 C 163	Methyl palmitate	1·00	20%	
29.21 A 024	O, O-Diethyl O-(2, 5-dichloro-4-bromo-phenyl) phosphorothionate	1·00	20%	
29.22 B 072	6-Chloro-3-amino-trifluoromethyl-benzene	0·53	15%	
29.35 A 103	Methylene (methylamine antypyrin)	1·00	15%	
29.39 A 078	17 Beta-Hydroxy-17 alfa-methyl-3-androstanone	0·75	12%	
29.40 A 027	Catalase, triptase or tripticase	Free	16%	
29.44 A 119	Epicyllin	1·00	7%	
30.03 A 161	Complex of resins of ionic interchanges and active elements	1·00	35%	
3204 A 009	Dusts extracts from the Limousin oak	0·01	10%	
32.09 A 019	Varnishes for printing banknotes; when imported by the Bank of Mexico	Free	Free	
32.11 A 002	For printing banknotes; when imported by the Bank of Mexico	Free	Free	
32.11 A 999	Others	0·40	50%	
32.13 A 007	For printing banknotes; when imported by the Bank of Mexico	Free	Free	
35.04 A 014	Embryo of cotton seed with a concentration of protein; the content of protein being up to or above 50%	Free	22%	
38.03 A 005	Fuller's earth, activated	0·45	12%	
38.11 A 189	Preparation based on sulphite of 2-4-T-butylphenox cyclohexyl-2-propionyl	Free	5%	
38.11 A 190	Preparation based on a complex of propylene bisdithiocarbamate of zinc	Free	5%	
38.19 A 149	Anti-rusting or de-rusting preparation of concrete	0·50	25%	
38.19 A 150	Stabilizers for compositions of vinyl plastics with a base of calcium, barium, zinc and/or cadmium	0·75	45%	
38.19 B 008	Composed or 44% to 46% of siliceous sand; 24% to 26% of carbon and 29% to 31% siliceous carbon	0·05	10%	
73.40 A 060	Moulds for making or immersing metal caps	Free	13%	
84.10 F 015	Recognized as designed exclusively for the goods in 84.10 D 005	Free	13%	
84.17 A 021	Ice-making apparatus	0·60	70%	40·00
84.17 A 032	For the thermic treatment of lenses	1·00	24%	
85.01 D 009	Transformers for instruments, for measuring and/or protection, with levels of insulation not exceeding 400 kV	0·50	12%	
85.19 A 026	Knife switch, weighted, except that in 027	4·00	70%	
85.19 A 027	Knife switch, weighted, when proved to the Ministry of Finance and public Credit that similar goods are not made or produced in Mexico	0·30	8%	
85.19 A 028	Isolating-connecting knife switches, weighted, with a unitary weight of up to 2 kilograms without exceeding 2,750 kilograms except than in 029	4·00	70%	
85.19 A 029	Isolating-connecting knife switches, weighted, with a unitary weight of up to 2 kilograms but without exceeding 2,750 kilograms, when proved to the Ministry of Finance and Public Credit that similar goods are not made or produced in Mexico	0·60	20%	
85.19 B 018	Lightning arresters of the autovalvular distribution type of a nominal 3 to 18 kilovolts for systems with an earth neutral of up to 23 kilovolts	0·20	35%	
85.19 B 019	Cut-out switches of more than 500 volts and up to 600 volots and/for more than 35 kV up to 220 kV, in oil or air, with whatever breaking capacity and any nominal current, with a unitary weight below 2,000 kilograms except those in 85.19 B 020	3·50	60%	
85. 19 B 020	Cut-out switches of more than 500 volts and up to 600 volts and/or of more than 35 kV up to 220 kV, in oil or air, with whatever breaking capacity and any nominal current, with a unitary weight below 2,000 kilograms, when proved to the Ministry of Finance and Public Credit that suitable substitutes are not made or produced in Mexico	0·30	8%	
85.19 B 021	Fuses up to 46 kV except that comprised in 85.19 B 022	3·50	60%	
85.19 B 022	Fuses up to 46 kV, when proved to the Ministry of Finance and Public Credit that suitable substitutes are not made or produced in Mexico	0·30	8%	
87.06 A 018	Supports or frames for padding dashboards, arm rests, visors, recliners or acoustic apparatus designed exclusively for the coachwork of automobiles	Free	16%	20·50
90.29 A 021	Recognized as being designed exclusively for the goods in 90·28 B 057	Free	7%	
93.07 B 006	Empty cartridges, 8 calibre, recognizable as designed excusively as articles for industrial use	Free	30%	
98.03 B 012	Bars or containers made of textile even when they have grooves or lining, recognizable as designed exclusively for markers	Free	26%	

EDB Ext. 474, 476, 7312

TARIFF AMENDMENTS: There have been a number of amendments to the Mexican Tariff. The tariff numbers, as amended, are set out as follows:

Tariff No.	Description
15.10 A 009	Fatty alcohols, except those in 005 to 008 inclusive and also those in 016
29.14 C 049	Methyl stearate or 2, 2, 4-trimetil-pentanodille monoisobutirate
29.35 A 095	Methyl nitrated imidazol or acethymocysteine thiolactone
29.39 A 056	6-Alpha-9-alpha-difluoro: 11-beta: 21-dihydroxy-16-alpha: 17 alpha-isopropylidene diaxy-pregna-1:4-diene 3, 20-dione
29.40 A 017	Deleted
29.40 A 018	Deleted
29.45 A 006	Sodium methylate even when presented in methanol
32.11 A 001	Deleted
48.01 A 007	White or of a natural colour of pulp, with more than 50 per cent of mechanical wood pulp, weighing more than 150 grammes per square metre and has a resistance of less than 2,500
38.03 A 002	Activated clay, except that in 38.03 A 005
38.03 A 005	Fuller's earth, activated
85.01 D 006	Measuring transformers except those in 85.01 D 009
85.01 D 009	Transformers for measuring and/or protection with levels of insulation not exceeding 400 kV
85.19 A 003	Lever operated switches except those in 85.19 A 001, 026 and 027
85.19 A 010	Isolating or change-over switches weighing more than 2 kilogrammes each but not exceeding 2,750 kilogrammes, except those in 85.19 A 006, 008, 028 and 029
85.19 B 004	Lightning arresters except those in 85.19 B 018

EDB Ext. 474, 476, 7312

Venezuela

MODIFICATIONS TO FOOD AND DRUG REGULATIONS: Resolutions No. 1, 2 and 3 of the Venezuelan Ministry of Health and Social Assistance published on March 30, 1971 slightly modify the country's regulations on the registration and analysis of locally manufactured and imported food and drugs. The main points are as follows:

1. The National Institute of Hygiene must carry out an analysis of imported food and drugs so that they may be registered with the Ministry of Health and Social Assistance.

2. Registration fees are increased for minor modifications of the ingredients of previously registered food products and for modifications of food product labels, due to a change of ownership, place of manufacture, brand or other similar changes in the presentation or packing.

EDB Ext. 474, 476, 7312

Uruguay

SALES OF FOREIGN EXCHANGE: On April 24 the Uruguayan Central Bank announced new arrangements for the sale of foreign exchange for certain classes of overseas payments. In future the Central Bank will receive a sliding scale of 'commission' for its services which will be applied on the sale of foreign exchange for certain purposes. The result will be to increase the (peso) cost to the Uruguayan of these overseas payments.

In addition, on April 26, the Central Bank announced new arrangements for the sale of foreign exchange to pay for imports. In future foreign exchange to cover imports will only be sold, with the exception of merchandise considered as capital goods, in those cases where the imports have financing of not less than 180 days

(*Continued on next page*)

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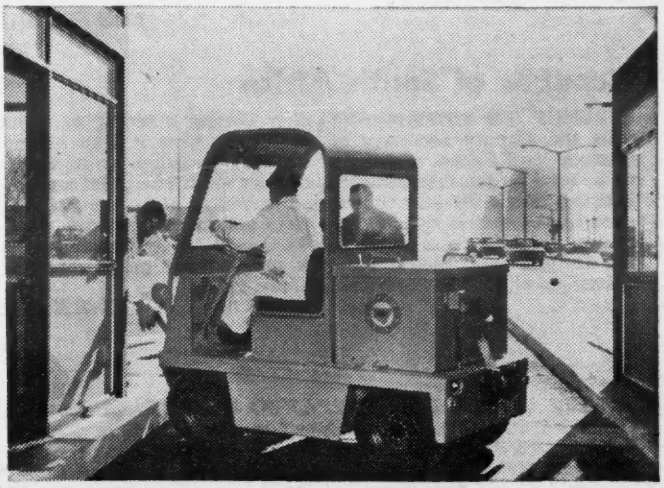
CRE Ext. 2321



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27.07 A 015	Oil based rubber extenders	Free	5%	
27.10 A 017	Oil based rubber extenders	Free	5%	
28.31 A 013	Sodium hypochlorite	0·50	50%	
29.01 B 003	Butadiene	Free	5%	1·60
29.14 C 163	Methyl palmitate	1·00	20%	
29.21 A 024	O, O-Diethyl O-(2, 5-dichloro-4-bromo-phenyl) phosphorothionate	1·00	20%	
29.22 B 072	6-Chloro-3-amino-trifluoromethyl-benzene	0·53	15%	
29.35 A 103	Methylene (methylamine antypyrin)	1·00	15%	
29.39 A 078	17 Beta-Hydroxy-17 alfa-methyl-3-andro-stanone	0·75	12%	
29.40 A 027	Catalase, triptase or tripticase	Free	16%	
29.44 A 119	Epicyllin	1·00	7%	
30.03 A 161	Complex of resins of ionic interchanges and active elements	1·00	35%	
3204 A 009	Dusts extracts from the Limousin oak	0·01	10%	
32.09 A 019	Varnishes for printing banknotes; when imported by the Bank of Mexico	Free	Free	
32.11 A 002	For printing banknotes; when imported by the Bank of Mexico	Free	Free	
32.11 A 999	Others	0·40	50%	
32.13 A 007	For printing banknotes; when imported by the Bank of Mexico	Free	Free	
35.04 A 014	Embryo of cotton seed with a concentration of protein; the content of protein being up to or above 50%	Free	22%	
38.03 A 005	Fuller's earth, activated	0·45	12%	
38.11 A 189	Preparation based on sulphite of 2-4-T-butylphenox cyclohexyl-2-propionyl	Free	5%	
38.11 A 190	Preparation based on a complex of propy-lene bisdithiocarbamate of zinc	Free	5%	
38.19 A 149	Anti-rusting or de-rusting preparation of concrete	0·50	25%	
38.19 A 150	Stabilizers for compositions of vinyl plastics with a base of calcium, barium, zinc and/or cadmium	0·75	45%	
38.19 B 008	Composed or 44% to 46% of siliceous sand; 24% to 26% of carbon and 29% to 31% siliceous carbon	0·05	10%	
73.40 A 060	Moulds for making or immersing metal caps	Free	13%	
84.10 F 015	Recognized as designed exclusively for the goods in 84.10 D 005	Free	13%	
84.17 A 021	Ice-making apparatus	0·60	70%	40·00
84.17 A 032	For the thermic treatment of lenses	1·00	24%	
85.01 D 009	Transformers for instruments, for measuring and/or protection, with levels of insula-tion not exceeding 400 kV	0·50	12%	
85.19 A 026	Knife switch, weighted, except that in 027	4·00	70%	
85.19 A 027	Knife switch, weighted, when proved to the Ministry of Finance and public Credit that similar goods are not made or pro-duced in Mexico	0·30	8%	
85.19 A 028	Isolating-connecting knife switches, weighted, with a unitary weight of up to 2 kilograms without exceeding 2,750 kilo-grams except than in 029	4·00	70%	
85.19 A 029	Isolating-connecting knife switches, weighted, with a unitary weight of up to 2 kilograms but without exceeding 2.750 kilograms, when proved to the Ministry of Finance and Public Credit that similar goods are not made or produced in Mexico	0·60	20%	
85.19 B 018	Lightning arresters of the autovalvular dis-tribution type of a nominal 3 to 18 kilo-volts for systems with an earth neutral of up to 23 kilovolts	0·20	35%	
85.19 B 019	Cut-out switches of more than 500 volts and up to 600 volots and/for more than 35 kV up to 220 kV, in oil or air, with whatever breaking capacity and any nominal current, with a unitary weight below 2,000 kilograms except those in 85.19 B 020	3·50	60%	
85. 19 B 020	Cut-out switches of more than 500 volts and up to 600 volts and/or of more than 35 kV up to 220 kV, in oil or air, with whatever breaking capacity and any nominal current, with a unitary weight below 2,000 kilograms, when proved to the Ministry of Finance and Public Credit that suitable substitutes are not made or produced in Mexico	0·30	8%	
85.19 B 021	Fuses up to 46 kV except that comprised in 85.19 B 022	3·50	60%	
85.19 B 022	Fuses up to 46 kV, when proved to the Ministry of Finance and Public Credit that suitable substitutes are not made or produced in Mexico	0·30	8%	
87.06 A 018	Supports or frames for padding dashboards, arm rests, visors, recliners or acoustic apparatus designed exclusively for the coachwork of automobiles	Free	16%	20·50
90.29 A 021	Recognized as being designed exclusively for the goods in 90·28 B 057	Free	7%	
93.07 B 006	Empty cartridges, 8 calibre, recognizable as designed exclusively as articles for indus-trial use	Free	30%	
98.03 B 012	Bars or containers made of textile even when they have grooves or lining, recognizable as designed exclusively for markers	Free	26%	

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TARIFF AMENDMENTS: There have been a number of amend-ments to the Mexican Tariff. The tariff numbers, as amended, are set out as follows:

Tariff No.	Description
15.10 A 009	Fatty alcohols, except those in 005 to 008 inclusive and also those in 016
29.14 C 049	Methyl stearate or 2, 2, 4-trimetil-pentanodilic monoisobutirate
29.35 A 095	Methyl nitrated imidazol or acethymocysteine thiolactone
29.39 A 056	6-Alpha-9-alpha-difluoro: 11-beta: 21-dihydroxy-16-alpha: 17 alpha-isopro-pylidene diaxy-pregna-1,4-diene 3, 20-dione
29.40 A 017	Deleted
29.40 A 018	Deleted
29.45 A 006	Sodium methylate even when presented in methanol
32.11 A 001	Deleted
48.01 A 007	White or of a natural colour of pulp, with more than 50 per cent of mechanical wood pulp, weighing more than 150 grammes per square metre and has a resistance of less than 2,500
38.03 A 002	Activated clay, except that in 38.03 A 005
38.03 A 005	Fuller's earth, activated
85.01 D 006	Measuring transformers except those in 85.01 D 009
85.01 D 009	Transformers for measuring and/or protection with levels of insulation not exceeding 400 kV
85.19 A 003	Lever operated switches except those in 85.19 A 001, 026 and 027
85.19 A 010	Isolating or change-over switches weighing more than 2 kilogrammes each but not exceeding 2,750 kilogrammes, except those in 85.19 A 006, 008, 028 and 029
85.19 B 004	Lightning arresters except those in 85.19 B 018

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Venezuela

MODIFICATIONS TO FOOD AND DRUG REGULATIONS: Resolutions No. 1, 2 and 3 of the Venezuelan Ministry of Health and Social Assistance published on March 30, 1971 slightly modify the country's regulations on the registration and analysis of locally manufactured and imported food and drugs. The main points are as follows:

1. The National Institute of Hygiene must carry out an analysis of imported food and drugs so that they may be registered with the Ministry of Health and Social Assistance.

2. Registration fees are increased for minor modifications of the ingredients of previously registered food products and for modifica-tions of food product labels, due to a change of ownership, place of manufacture, brand or other similar changes in the presentation or packing.

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Uruguay

SALES OF FOREIGN EXCHANGE: On April 24 the Uruguayan Central Bank announced new arrangements for the sale of foreign exchange for certain classes of overseas payments. In future the Central Bank will receive a sliding scale of 'commission' for its services which will be applied on the sale of foreign exchange for certain purposes. The result will be to increase the (peso) cost to the Uruguayan of these overseas payments.

In addition, on April 26, the Central Bank announced new arrangements for the sale of foreign exchange to pay for imports. In future foreign exchange to cover imports will only be sold, with the exception of merchandise considered as capital goods, in those cases where the imports have financing of not less than 180 days

(Continued on next page)

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URUGUAY, *continued*

from the date of shipment. In cases where the importer proves the impossibility of obtaining financing facilities for a minimum term of 180 days the Central Bank will be able to authorize imports financed for a lesser term and including sight terms.

Unofficial translations of these announcements can be obtained on request.

CRE Ext. 2289

BAN ON IMPORTS: A Uruguayan Presidential decree was published on May 8 suspending imports of capital goods for 90 days. Capital goods excluded from the terms of the decree are:

1. Those considered necessary to maintain production in the country
2. Goods coming from the LAFTA area on which Uruguay normally grants concessions in accordance with the Agreement
3. Those for which no foreign exchange is required
4. Those authorized for import before May 7, 1971. (These will however attract a further 20 per cent surcharge, with certain exceptions.)

Importers whose imports have become liable to the additional 20 per cent surcharge and who for that reason do not wish to import goods may cancel their arrangements without prejudice provided this is done within 30 days.

The Decree also states that new rules for the import of capital goods are to be prepared by an Advisory Commission within 60 days.

CRE Ext. 2289

Canada

MOTOR VEHICLE SAFETY ACT: The Canadian Government have announced amendments to the Motor Vehicle Safety Regulations to clarify the status of competition motorcycles, minibikes and competition snowmobiles. Under the amendments, these machines will be established as specific classes of vehicles and will not have to be equipped with headlights and mufflers. The competition machines will be for use exclusively on competition circuits and will be required to bear a label clearly stating their restricted usage. Minibikes will be classified as vehicles intended only for off-road use and will be required to be equipped with safety reflectors to assist in their recognition and identification. They, too, will be required to bear labels indicating their restricted usage.

ESD Ext. 455, 456, 457

Ecuador

CHANGES TO THE ECUADOREAN IMPORT LIST: Supreme Decree No. 455 published in the Ecuadorean *Registro Oficial* of March 25 makes a number of alterations to the Import List. Affected items are shown below with their new List number.

Tariff No.	Description	List number
105-b-5*	Olive oil, refined	I
105-b-8*	Refined coconut oil (copra), consigned from and originating in Paraguay	I
105-b-10	Chenopod oil, except that consigned from and originating in Paraguay	Prohibited
105-b-10*	Refined maize oil, consigned from and originating in Paraguay	I
123-b*	Maltose (malt sugar)	I
123-c*	Lactose (milk sugar)	I
171-a	Unmanufactured light tobacco, with previous permission from Ministry of Production	I
315	Chenopodium oil (essential oil)	I
642-b-1	Hardened asbestos plates or sheets used as friction material	I
642-b-2	Brakes, clutch, etc., linings of hardened asbestos	I
642-a-6	Packing joints of fabricated asbestos	I
669-b-1	Laminated safety glass for vehicles, excluding accessories of other materials	I
769-g	Copper tools and tips, with thread, for making electric pumps	I
857-bis	Gaskets and similar joints of metal sheeting combined with other materials, or of laminated metal foil; sets or assortments of gaskets and similar joints dissimilar in composition, for engines, pipes, tubes and the like, put up in pouches, envelopes or similar packings	I

* These items can only be imported as a raw material for making humanized milk by firms recognized under the Industrial Development Law and with previous permission from the Ministry of Production.

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Jamaica

IMPORT LICENSING ARRANGEMENTS: The list of exceptions to the Jamaica Open General Licence (*Board of Trade Journal* of September 27, 1968, page 865) has been amended as follows:

by deleting item 113 (xi) and substituting the following:

(xi) Christmas and other greeting cards including post cards.

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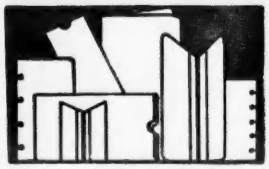

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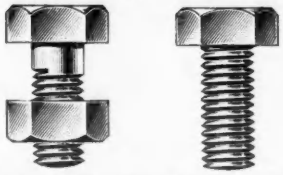

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